HSA

Health Savings Account

Welcome to your health savings account (HSA) from Blue Cross.

We know that financial stability is an important part of your overall health and well-being. That's why we're making our HSA accounts intuitive and accessible. Everything you need is just a tap, click, call, or swipe away.

BlueCross BlueShield of Vermont

An Independent Licensee of the Blue Cross and Blue Shield Association.

bluecrossvt.org/mymoney

HOW AN HSA WORKS

- *Save money tax free*
- *Earn interest tax free*
- *Pay for health care expenses tax free*

Introducing the HSA

A health savings account (HSA) works like an individual retirement account (IRA) that you own. It belongs to you and the money is yours to keep, even if you change jobs or retire. You don't pay any taxes on the money you put in or take out, as long as you use it for medical expenses as defined by the IRS.

An HSA is right for you if...

- You're enrolled in an HSA-qualified health plan.
- You can't be claimed as a dependent on someone else's taxes.
- You have no other health coverage.
- You can contribute some money each month to save or pay for health care expenses.
- You aren't enrolled in Medicare.
- You want to be ready when you have unexpected health care needs.

Medical premium

Premiums may cost less for HSA-qualified plans.

Out-of-pocket costs

Consider how much you'll spend on health care next year. Put that money into an HSA pretax from your paycheck.

HSA contributions

Putting money into an HSA helps you prepare and pay for these costs tax free. If you don't need the money, save it for future needs.

Out-of pocket maximum

Once you reach your out-of-pocket maximum, eligible services are covered at 100%. This protects you from a major financial crisis should unexpected health care needs arise.

FIVE WAYS AN HSA CAN HELP YOU SAVE FOR YOUR FUTURE

1 Money is not taxed. Money goes into your HSA without paying state or federal taxes. That brings down your taxable income and saves you as much as 28 to 40 percent on medical expenses, depending on your tax bracket[1].

2 No "use it or lose it" rule. Money in your HSA belongs to you, even if you change jobs or health plans, or retire.

3 Invest and grow your money. Your money can earn interest tax-free, from day one. When your base balance reaches $1,000, you can activate your self-directed account to invest in more than 30 investment options through Charles Schwab.

4 More flexibility and choice. You can use your HSA dollars for certain health care expenses[2] beyond what your plan covers, allowing you to purchase these services tax-free.

5 Balance your medical expense highs and lows. Since you manage your funds, you can save HSA money when you're healthy so it's ready when you need it.

[1] *Depends upon your federal tax bracket*

[2] *Refer to bluecrossvt.org/mymoney for a list of HSA-eligible services and products*

Heads up!

You can't use your HSA for:

- Health insurance monthly premiums
- Expenses that aren't related to medical treatment or care as defined by the IRS

All systems go!

Use your HSA for:

- Medical expenses that your plan may not cover or out-of-pocket expenses until you reach your deductible
- Co-payments, co-insurance and prescription drugs
- Dental and vision care expenses not covered by your health plan[2]
- Long-term care premiums

NOTE: Save all your receipts to validate expenses in the event of an IRS audit.

The total amount you can put in an HSA tax-free:

	2022 limits	*2023 limits*
Single	$3,650	$3,850
Family	$7,300	$7,750
Catch up (age 55+)	$1,000	$1,000

Meet Jane[1]

Her annual salary:	$58,000
Her annual HSA contribution:	$2,600
Her taxable income after HSA contribution:	$55,400
Her estimated tax rate[2]:	25%
Her estimated tax savings:	$650

When Jane incurs a $650 health care bill, it actually costs her nothing when factoring in the tax savings.

Select an HSA-eligible plan at enrollment

- When your health plan renews, you or your employer will open an account.
- You will receive your Blue Cross Visa debit card and spending account I.D. number by mail. [3]
- Access your account online to view and manage your account.

Talk to a health care spending administration expert to learn more.

Call Blue Cross and Blue Shield of Vermont at **1-866-999-260** or visit **bluecrossvt.org/mymoney**

[1] *Hypothetical example for illustration purposes only.*

[2] *Assumes Jim pays 25% of his income in State and Federal taxes.*

[3] *The Blue Cross and Blue Shield of Vermont Visa Debit Card is issued by The Bancorp Bank, pursuant to a license from Visa U.S.A. Inc. and can be used for qualified expenses wherever Visa debit cards are accepted.*

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