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2nd ConnectYourCare Special Edition

ConnectYourCare Executive Team

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Introduction

A health savings account (HSA) is like an individual retirement account (IRA) for your health care costs. You and your employer can contribute money tax-free to your HSA, invest it and watch it grow tax-free, and then you can spend your tax-free money on qualified medical expenses. If your loved ones (or anyone else for that matter) contribute to your HSA, you get the tax benefits.

About This Book

HSAs have a reputation for being complicated and confusing. If you can open a savings account, you can handle an HSA. This book offers simple guidance and useful tips on contributing, investing, saving, and paying for medical expenses using your HSA — the best tax-free health care savings account available today.

In this book, we help you understand who can open an HSA, tell you how and where to open one, and explain who can contribute and how much. We offer tips to help you manage your HSA funds, ranging from investing your money, to saving your receipts, to saving funds to spend later. This books tells you what you can spend HSA funds on and when and warns you about when not to spend HSA funds. But, if you do make non-qualified purchases, we explain how to make things right. We describe the tax benefits of owning an HSA and run through the numerous additional benefits an HSA helps you realize. All in all, this slim book contains a wealth of useful information!

Foolish Assumptions

Although we know what our mothers would say about making assumptions, we assume you fall into one of two categories:

- You don't have an HSA, and you're trying to figure out if an HSA is the right choice for you.
- You already have an HSA and want to learn more about your options.

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Or, perhaps you just read every book with an acronym in the title. If that's the case, we hope you find this book worthwhile.

Conventions Used in This Book

Our aim is to make things as easy to understand as possible. To that end, we use a few conventions throughout this book:

- Every acronym — and we use plenty — is spelled out when it's first mentioned in each chapter. So get used to seeing HSA (health savings account) because we use HSA in every chapter.
- Defined words and terms are *italicized.*
- The keyword or key term in a bulleted list is in **boldface.**
- We don't insert hyphens in URLs (uniform resource locators — betcha didn't know that one!), so if a web address breaks across two lines of text, type it into your browser field exactly as you see it. The only hyphens in a web address are part of the address.

Icons Used in This Book

Every *For Dummies* book makes use of *icons* — little images — in the margins to highlight notable information. In *HSAs For Dummies*, 2nd ConnectYourCare Special Edition, we use these:

TIP

This light bulb illuminates information that can help you understand something more completely or do something more easily.

REMEMBER

Keep in mind the information marked with this icon to make your HSA dealings go smoothly.

WARNING

This icon warns of practices best avoided.

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IN THIS CHAPTER

- Explaining what an HSA is
- Describing who can open an HSA
- Understanding how to open an HSA

Chapter 1
Looking into the Basics of HSAs

A health savings account (HSA) gives you the option to save money, invest it, or spend it for medical expenses — all tax-free. The only catch is that you need to spend the money on qualified medical expenses. When you compare the medical expenses you and your family accumulate each year to the list of qualified expenses (discussed in Chapter 4), you realize the benefit of using untaxed money to pay these costs.

What Is an HSA?

In many ways, an HSA is like an individual retirement account (IRA) for health care expenses. HSAs accumulate interest, earn investment returns, and have an annual maximum contribution limit. But HSAs have an additional tax advantage over IRAs: Withdrawals aren't taxable when used for qualified medical expenses.

Your HSA can be funded by you, your employer, and anyone else who wants to contribute (see Chapter 2 for information on making contributions). You can use the funds to pay for qualified medical expenses now or withdraw funds in the future to reimburse yourself for previously incurred qualified expenses.

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MAKING INFORMED HEALTH CARE DECISIONS WITH CDHPs

Rising health care costs have made consumer-directed health plans (CDHPs) one of the fastest growing types of health insurance in the market today. Many employers have replaced their traditional insurance with CDHPs, a type of health insurance that places control and responsibility for your health care spending in your hands and may offer substantial savings opportunities in return.

The idea behind CDHPs is that by paying for health care when you use it, rather than passing the bill on to your insurer, you become more selective about how you spend your health care dollars. A CDHP encourages you to seek out better health care options at more competitive prices. Economists say that when insurers step in to pay the bulk of patient bills, patients aren't as careful in accessing health care as they are when paying on their own.

So, for example, if you've been sick all day at work coughing and sneezing, you have several options:

- Go to the emergency room at a cost of $600.
- Visit an urgent care center for $150.
- See your doctor when his office opens tomorrow or go to the night walk-in clinic for $75.
- Work from home tomorrow, take over-the-counter medicines for your symptoms, get rest, and see whether you still need help from a medical professional.

Each choice helps you with your cold, but each has a different impact on your wallet and your insurer's payout. When you see how your choice directly affects your budget, without the cushion of copays, you're likely to consider the costs of the available options and cut down on unnecessary visits.

TIP

Within limits, contributions are tax free, whether you make them or your employer does, and investment growth isn't taxed while it's in the account. Distributions aren't taxable as long as you spend them on qualified health care expenses incurred after you open the HSA.

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Although your employer and family members can contribute to your HSA, *you* are the sole owner: You control investments; you're the only one who can authorize disbursements; you take the HSA with you when you change jobs or health plans. You can even use your account for retirement medical expenses when you reach the age of 65 or, subject to income taxes, for living expenses in retirement.

REMEMBER

Although an HSA is comparable to an IRA or 401(k) retirement fund, you are 100 percent vested in your HSA from day one. You aren't required to spend any portion of your funds and are free to build up savings for future needs. So, if you're thinking of starting a family, you can begin saving in anticipation of the new arrival.

Who's Eligible for an HSA?

To satisfy Uncle Sam, you and your health care plan have to meet certain standards. A couple of terms you run across a lot in discussing health care plans include the following:

- **Deductible:** The amount you pay for covered health care expenses before you receive insurance benefits. You pay all your health care expenses at the start of each coverage year. Only after you spend enough to meet the deductible does your insurer start paying all or part of covered medical and pharmacy costs.
- **Out-of-pocket expense:** Appropriately enough, this money comes out of your pocket to pay your health care costs, including your deductible, your copays, and your coinsurance—but not your premiums.

  To protect you from exposure to unlimited financial responsibility, the IRS sets limits on how much your total out-of-pocket costs can be under your *high-deductible health plan* (HDHP).

Your plan must be an HDHP

To be eligible to contribute to an HSA, you must be covered by a qualified HDHP, a health plan that requires you to pay for most of your health care costs until you reach the deductible. After you meet the deductible, the plan starts paying the major portion of

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your medical expenses. As determined by the government, this type of HDHP does the following:

- Has a higher annual deductible than most health plans — for example, $1,350 for individual coverage and $2,700 for family coverage in 2018, although this limit changes every year.

  An HDHP may not pay for any services until the deductible is met. The only exception is for preventive care such as periodic health evaluations (like your annual physical), immunizations, and screening services. Check out the nearby sidebar, "Having access to preventive care."

  If you're on a *family HDHP* — which consists of two or more people on the policy — everyone's covered medical expenses help meet the deductible.

- Sets a maximum limit on the total out-of-pocket medical expenses you must pay for covered expenses.

  Each year, the U.S. Treasury sets incremental increases in the minimum annual deductible for HDHPs to keep pace with inflation. The U.S. Treasury's website at `www.treasury.gov` has more information.

  If your HDHP doesn't meet or exceed the IRS-mandated out-of-pocket maximum for expenses, you may not open or contribute to an HSA. However, your plan's out-of-pocket maximum may be much lower than the IRS-mandated maximum, so you may reach your financial liability long before you spend the IRS-mandated out-of-pocket maximum.

HAVING ACCESS TO PREVENTIVE CARE

The Patient Protection and Affordable Care Act (PPACA), which became law in 2010 and is also known as Health Care Reform, mandates that all plans cover certain preventive care services in full. This may include services such as periodic health exams, routine pre-natal and well-child care (immunizations for kids, for example), breast and colorectal cancer screenings, and so on. Some plans also include a handful of prescription drugs on their preventive care list.

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Your insurance provider keeps track of federal minimums and maximums for both deductibles and out-of-pocket expenses for you. Because HDHPs have higher deductibles and coinsurance amounts, the monthly premiums are lower.

TIP

Your plan information should specifically state that it is HSA compatible. If you don't see a statement indicating that it's an HSA plan or is an HDHP, check with your employer or other insurance provider.

You can't be covered under a non-HDHP plan

To be eligible for an HSA, you must be covered by an HDHP and have no other non-HDHP insurance. As the HSA account holder, it's your responsibility to make sure you're not covered under any other plans that don't meet the IRS rules for HDHPs. This includes coverage through your spouse (including your spouse's flexible spending account [FSA] and Medicare).

WARNING

If your coverage changes to anything other than an HDHP plan, you can no longer contribute to your HSA. The funds are still yours, and you can continue to use your funds, but you can't make any new contributions until you meet the eligibility requirements again.

Some exceptions exist. For example, you can take part in a wellness program offered by your employer as long as it doesn't offer services that can be considered actual medical benefits, such as prescriptions, some over-the-counter items, health insurance deductibles, and coinsurance. Certain types of insurance — auto, dental, vision, disability, insurance for a specific disease or illness, and long-term care insurance — don't disqualify you from contributing to an HSA, either.

The IRS only looks for the account holder to satisfy the eligibility requirements. Your spouse and dependents can have other insurance without invalidating your HSA eligibility. It doesn't matter if your spouse or dependents have other non-HDHP insurance — as long as you aren't covered by that plan.

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LOOKING AT LPFSAs

Designed to be used in conjunction with a high-deductible health plan and a health savings account, a limited purpose flexible spending account (LPFSA) is a tax-free way to accumulate funds to pay for specific health care expenses. A LPFSA is an entirely separate account from your HSA and needs to be *sponsored* (meaning, offered by your employer), and not every employer offers LPFSAs. If you're contributing to an HSA, you can't contribute to a traditional FSA — a LPFSA is your only option.

The health care expenses you can pay for from your LPFSA are typically restricted to dental and vision expenses. They may cover preventive care, plus any coinsurances, copayments, and other medical expenses you're liable for after you meet your HDHP's deductible, though your employer may not expand the LPFSA beyond dental and vision. For example:

- Dental procedures such as cleanings, fillings, crowns, and orthodontics
- Vision care and products such as contact lenses, eyeglasses, refractions, and vision correction procedures
- Other out-of-pocket medical expenses after you meet your HDHP's deductible (yes, only after)

As with your HSA, you can use funds from your LPFSA to pay allowable expenses for your spouse and children as well as yourself. The funds you contribute toward a LPFSA are above and beyond the contribution limits of your HSA. This means that you can save more money for your health care costs tax-free. Having a LPFSA gives you another way to pay some health care expenses while letting your HSA grow.

FSAs (both traditional and limited purpose) and HSAs are alike in that they both let you set aside money, tax-free, that you can use to pay for qualified medical expenses for yourself and your family. However, two key differences exist between the two:

- **Ownership:** You own the money in your HSA and funds roll over automatically at the end of the year. With FSA funds, you may lose any money you didn't use at the end of the plan year.
- **Control:** You decide when and how to use your HSA funds. A plan administrator has final say about every request for reimbursement from an FSA.

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WARNING

Sad to say, if you're enrolled in an HDHP and also have an FSA or HRA (health reimbursement arrangement) — or are covered under your spouse's FSA or HRA — you can lose your eligibility for an HSA. Only if the FSA and/or HRA are considered *limited purpose* (meaning limited to reimbursing for vision, dental, or preventive care) or *post-deductible* (meaning limited to reimbursing medical expenses that occur after the plan deductible is met) can you benefit from having an HSA as well. Check out the nearby sidebar, "Looking at LPFSAs."

Receiving Medicare disqualifies you from contributing to an HSA — even if you're just enrolled in Medicare Part A due to enrollment in or application for social security. If you started an account before you enrolled in Medicare, you still keep the account and make withdrawals — you just can't contribute to it any longer. Likewise, if you received benefits or services from the Veterans Administration or TRICARE during the past three months that weren't for a service-connected disability, you can't contribute to an HSA. However, even if you can't contribute to your HSA, you still own it and can use the funds you've accumulated.

You're not a dependent

REMEMBER

If you're claimed as a dependent on someone else's tax return, you're not allowed to have your own HSA. (Keep in mind that spouses aren't considered dependents.) However, if you're in your 20s and under your parent's health care coverage, but you aren't your parent's dependent for tax filing purposes, you may be able to establish your own HSA. Your parent's plan would just have to be a qualified HDHP.

How to Open an HSA

Eager to realize the benefits of opening an HSA? You can open one as soon as you're covered under an HDHP. In fact, you can get the paperwork in order ahead of time and have your deposit at the ready; you just can't actually establish your account until your HDHP policy is in effect.

REMEMBER

You don't have to be the main policyholder under the HDHP in order to establish an HSA; you can be covered as a spouse under an HDHP. As long as you're covered by an HDHP (and meet the other eligibility requirements we talk about in the preceding sections), you can establish an HSA.

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If your employer offers an HDHP option for coverage, you can enroll in an HSA. If your employer doesn't provide an HDHP option, speak up! Ask him to consider one. It will save you — and him — money!

TIP

When the IRS looks to see that you're enrolled in an HDHP as a prerequisite to opening your HSA, it looks to see your enrollment status as of the first of the month. The IRS takes a snapshot of January 1, February 1, and so on to see when you first enrolled in an HDHP. You can open your HSA the first day of the month on or after your HDHP coverage takes effect. So, if your HDHP policy takes effect on Groundhog Day (that's February 2 for those of you who don't pay attention to weather-predicting rodents), the earliest you can open an HSA is March 1.

Choosing a bank or custodian

Just like in banking, you need a trustee or custodian to hold your HSA funds. Any institution that the IRS deems qualified to manage IRAs is also qualified to handle HSAs. This includes the following:

- A federally insured bank
- A federally insured credit union
- A qualified insurance company
- Certain non-bank custodians approved by the IRS

Your custodian or trustee is required to report the total contributions made to your HSA each year as well as the total amount of funds taken from the account each year. This information is reported on Form 5498 and Form 1099-SA, respectively; both forms must be sent to you as the account holder as well as to the IRS. The custodian or trustee may have account fees for certain services. It is also able to limit the investment menu it offers through the HSA. Ask before you invest.

Opening an account and paying fees

Whenever you open any savings account, you have to provide personal information, proof of your identity, and a minimum initial deposit. Your custodian or trustee will let you know what is needed to open your account. In order to cover the administrative costs for overseeing your account and investment activity, your account may be subject to fees. Account fees vary based on the custodian or trustee, so do your homework. Your employer may also cover some of the costs for you.

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IN THIS CHAPTER

- Making and accepting contributions
- Contributing as much as you can
- Knowing when to contribute

Chapter 2
Contributing to Your HSA

A health savings account (HSA) works much like a personal savings account in that you put money in, the money earns interest, and you save it or spend it on medical expenses as you see fit. This chapter details how to get money into your HSA.

Who Can Contribute

As the owner, you're typically the main contributor to your HSA, but you don't have to be the only person making deposits. Your employer and your loved ones can contribute funds — and you still get the tax benefits.

REMEMBER

You get the tax benefit for every contribution to your HSA no matter who provides the money — your employer, yourself, your grandma. You usually can make deposits with pre-tax dollars through payroll deductions. If not, you get to take an above-the-line tax deduction for every contribution up to the annual maximum contribution limit. More on contribution limits in the upcoming section "Looking at How Much You Can Contribute."

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Contributing pre-tax through payroll

You can make contributions to your HSA just like you make deposits into your regular savings account. Of course, you've probably already paid tax on the money you deposit in your regular savings account. You can put pre-tax dollars into your HSA if your employer has a cafeteria plan.

In a *salary reduction* or *cafeteria plan*, your employer offers a range of benefits, and you choose which benefits you want. The cost of those benefits is deducted from your salary before payroll and income taxes are taken out. (This pre-tax withdrawal has the added benefit of lowering your taxable income — a win-win for working stiffs.) So, you can send pre-tax contributions directly to your HSA.

Making deposits with post-tax funds

If your employer doesn't offer a cafeteria plan (see the preceding section), contributions to your HSA likely come from *after-tax funds*, meaning your take-home pay after it's already been taxed. If that's the case for you, come tax time you can take an *above-the-line deduction*, which adjusts your gross income. Thus, you pay no income tax on the amount you contribute to your HSA.

REMEMBER

Taking an above-the-line deduction means you don't need to itemize your deductions. You simply write your contribution total on the designated line on your 1040 form and attach a Form 8889 (available on the IRS website at `www.irs.gov`). Unfortunately, HSA contributors can't use IRS Form 1040A or 1040EZ.

Your loved ones

You're not the only one who can contribute to your HSA. In addition to your employer contributing, your loved ones — including your spouse, parents, and your generous Uncle Michael — can all make deposits to your account. Just make sure all the contributions combined don't exceed your annual maximum contribution limit, which is discussed in the upcoming "Looking at How Much You Can Contribute" section.

Your employer

Your employer can show how much it values you by boosting the amount in your HSA through its own contributions. This money

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isn't regarded as income for you and isn't taxable, although it does count toward your contribution limit.

If you're self-employed, you're generally not considered an employee. If you're a sole proprietor, a partner in the company you work for, or a shareholder who owns more than 2 percent of the stock in an S corporation, you're considered self-employed and not an employee (because you're not an employee, you don't have an employer and can't receive HSA contributions from a nonexistent employer). You can make after-tax contributions on your own and then take an above-the-line deduction when you file your taxes.

Looking at How Much You Can Contribute

Each year, the federal government sets contribution limits for HSAs. Adjustments for the following year are announced by June 1. In this section, we show you those limits to help you keep from over-contributing, which can result in losing money from penalties. We also help you with under-contributing, which also results in losing money by not realizing all the tax advantages that come with owning an HSA. (We talk about tax issues in Chapter 5.)

The bottom line on how much you can put into your HSA each year is that you can't put in more than the annual allowed maximum contribution. Head to `connectyourcare.com/hsalimits` for current annual maximum limits.

Contribution limits

REMEMBER

Keep a few things in mind about how much money can be deposited into your HSA:

- No matter who makes the contributions to your HSA, you must not exceed the annual maximum contribution limits.
- If you have more than one HSA, the total contributions for all of them must not exceed your contribution limit.

  HSA contribution limits apply to the total of all contributions from every source contributing to every HSA you own.

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» If you had a high-deductible health plan (HDHP) for only part of the year, your contribution limit may be prorated based on the number of months you're covered by an HDHP. If you're enrolled in an HDHP for the first 6 months of the year, then leave the HDHP on June 30, you're allowed to contribute six-twelfths or one-half, of the annual maximum contribution. A special rule applies, however, which allows you the full year's deduction if you're enrolled in the HDHP as of the first day of the last month of your tax year (typically December 1) and maintain eligibility for 12 months after the end of the last month of your tax year (typically December 31 of the following year). (See the sidebar at the end of this chapter titled "Special contribution rule for mid-year eligibility" for more information.)

REMEMBER

Whether you have one or more HSAs, and whether they're funded by just you or your whole extended family, you're the one responsible for making sure the total amount of the contributions doesn't exceed the limits imposed by the government.

For up-to-date annual maximum limits, visit `connectyourcare.com/hsalimits`.

Changing your contribution amount

You can change the amount you contribute to your HSA at any time during the year. If you want to change the amount you contribute via payroll on a pre-tax basis, check with your employer on how to do that. Employers must allow changes at least monthly.

Exceeding limits

It's up to you to keep track of how much you — and everyone else — puts into your HSA. Overages include contributions over the limit as well as contributions made when you're not eligible — when you don't have coverage under an HDHP, for example.

If you don't remove excess contributions for any given year before the last day for filing your tax return (generally, April 15 of the next year), you pay a 6 percent tax for each year that goes by and

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are liable for taxes owed on the amount that should have been part of your gross income instead of contributed to your HSA.

REMEMBER

Don't forget that you also need to take out any earnings associated with the excess contributions. It's not as easy as making a withdrawal. Make sure your withdrawals are recorded as removing excess contributions. There's usually a special form you need to complete from your HSA custodian.

Meeting limits at the end of the tax year

You have until you file your taxes for the year to add to your HSA. So, if you haven't reached your contribution limit by the end of the year, you can make a lump-sum deposit to your account.

Catching up when you're older — and raising your limit

Say your employer just let you know that she's switching everyone to HDHPs with HSAs. If you're older, you may need to play a little catch up. You have a great opportunity to set additional, tax-free money aside for health care expenses.

If you're 55 or older and not enrolled in *Medicare* (the federal program that provides basic health benefits to people aged 65 or older and to some disabled folks), you can contribute up to an additional $1,000 to your HSA. These additional contributions are a way to help your HSA keep pace with potential looming medical expenses and to help you get prepared for post-retirement health care needs.

If you had HDHP coverage for the full year, you can make the full catch-up contribution regardless of when your 55th birthday falls during the year. If you didn't have HDHP coverage for the full year, you must pro-rate your catch-up contribution for the number of full months you had HDHP coverage and were eligible. When you reach age 65 and enroll in Medicare, you're no longer eligible to make any contributions to an HSA.

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SPECIAL CONTRIBUTION RULE FOR MID-YEAR ELIGIBILITY

If you become eligible for an HDHP on any day that isn't the beginning of your tax year (typically January 1), the IRS still allows you to contribute all the way up to the annual maximum contribution for that year. You just need to be covered under the HDHP on the last month of your tax year (typically December), as well as the following 12 months. So, if your tax year ends December 31, you must remain eligible for an HSA through December 31 of the following year.

If you don't meet these conditions, the IRS makes you pay tax on any extra contributions you made based upon the months you weren't enrolled in the HDHP, plus a penalty on those excess contributions.

Knowing When You Can Contribute

You can make your HSA contributions for the year in one lump sum or in a series of payments throughout the year. You can't make deposits to your HSA for any given tax year before the first day of the year, but you can make them up until the day you file your federal income tax return for that year (without extensions) — similar to rules for adding to your IRA.

For example, for the current tax year, you can make contributions to your HSA starting January 1 all the way through to the tax filing deadline (generally April 15) of the next year. Just make sure that the financial institution or insurance company your HSA is invested with knows to record your deposit as a prior-year contribution.

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IN THIS CHAPTER

- Being in charge of your account
- Investing your funds
- Keeping track of your money and saving receipts

Chapter 3
Managing Your HSA Funds

Notice the "Your" in this chapter title. The funds in your health savings account (HSA) are yours — not your employer's, not the HSA custodian's, but yours. You decide how they're invested (within the HSA's investment menu), you get to spend them when and how you want, and you have to keep track of them.

Controlling Your Funds

With an HSA, you have full control and responsibility over managing your account and your investments. Even though your employer may contribute to your HSA, that doesn't give your employer any say in how you spend the money in it.

Deciding how much to spend or save

You may choose to use your HSA strictly to pay your annual qualified health care costs, which is perfectly reasonable — that's what HSAs were created to do, after all.

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TIP

You don't have to spend all the money in your HSA each year. In fact, you don't have to spend *any* money in your HSA. Unlike individual retirement accounts (IRAs), HSAs aren't subject to a required minimum annual distribution. You can let funds roll over from year to year, earning interest and investment returns tax-free. If you have eligible expenses and choose to leave the money in your HSA, keep those receipts. You can make a tax-free withdrawal any time in the future! See Chapter 7 for information on storing your receipts with ConnectYourCare's HSA Save-It!

After you turn 65, you can use HSA funds like any other savings account funds — when you withdraw them for non-qualified medical expenses, they're taxed as income, but you pay no penalty for spending the money on anything you like! (See the nearby sidebar "Seeing the sights with your HSA after 65.")

WARNING

If you use funds from your HSA for non-medical expenses before you're 65, you pay income tax and a 20-percent penalty on the amount you withdraw.

Rolling over from an IRA or other retirement account

The IRS allows a one-time rollover of IRA funds to an HSA. This amount counts toward your annual HSA contribution limit for that year. In other words, the amount of the rollover combined with other HSA contributions you make for the year can't exceed your applicable annual HSA contribution limit for the type of coverage you had in place (for example, single or family coverage) at the time the transfer was made. (Chapter 2 offers information on contribution limits.)

WARNING

If you fail to maintain your eligibility for HSA contributions for the month you make the IRA rollover plus the next 12 consecutive months for any reason other than death or disability, the transferred amount is included as income and is subject to income tax plus an additional 10-percent penalty.

Keeping up when you're older

You can continue to use your account tax-free for out-of-pocket health expenses until you're enrolled in Medicare. Once enrolled, you can use your account to pay Medicare premiums, deductibles, copays, and coinsurance under any part of Medicare. If you

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have retiree health benefits through your former employer, you can also use your account to pay for your share of retiree medical insurance premiums that you pay on an after-tax basis. However, you can't use your account to purchase a Medicare supplemental insurance or "Medigap" policy.

TIP

When you turn 55, your HSA contribution limit increases by $1,000 as long as you remain eligible for an HSA. However, when you enroll in Medicare, this benefit — your ability to make any more HSA contributions (including the additional $1,000 catch-up contribution) — ends because Medicare isn't a high-deductible health plan (HDHP).

Death and your HSA

If you're legally married at the time of your death, your spouse becomes the owner of your HSA unless you named a different beneficiary. If you're not married at the time of your death, the HSA becomes part of your taxable estate.

SEEING THE SIGHTS WITH YOUR HSA AFTER 65

No, you don't need to take your HSA on vacation, but if you're over 65 and have accumulated savings in your HSA, you can now spend that money any way you like — including on a vacation.

You can, of course, continue to use HSA funds for qualified health care costs. If you do, that money remains untaxed. But, if you spend money from your HSA on non-eligible expenses, you simply pay income tax on the amount you spend and face no penalties of any kind.

So, if you have a hankering to visit the 49th and 50th states, you can treat your HSA as a regular savings account and use it to pay for your cruise up the Inside Passage and your hotel on Waikiki Beach.

You can choose where to travel or choose not to travel and spend the money on something else — a down payment on that new sports car, a tablet to use to keep in touch with the grandkids — the choice is yours!

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Growing Your HSA through Investing

In addition to saving your HSA dollars, you can invest the money to help it grow, just like you do with an IRA. Your investment portfolio may include stocks, bonds, mutual funds, and certificates of deposit.

You cannot move stocks into your HSA, but after you make a deposit, that money can be invested in whatever financial vehicles you and your advisor think are best.

WARNING

One thing you can't do with your HSA is borrow against it or pledge the funds in it.

Keeping Track of Your Account

Now that you have an HSA, the funds are yours to manage, save, or spend. Whatever you choose to do, it's up to you to keep track of the activity in your account.

Most HSAs come with health care payment cards you can use to pay for expenses. Just make sure that you use the payment card for qualified medical expenses if you want those expenses to be tax-free. You can keep track of those transactions through your online portal or through your HSA statements.

Save your receipts

Always save your itemized receipts and any paperwork to verify that you spent HSA funds on eligible expenses. (Chapter 4 talks about what qualifies as an eligible expense.)

Whether you spend directly from your HSA with a payment card or use HSA funds to reimburse yourself for medical expenditures you paid for with personal funds, your receipts are invaluable. You can use them to help itemize deductions on your tax return. More importantly, you can use them to reconcile expenses from your HSA with the IRS.

TIP

You can also use your receipts to justify reimbursing yourself later for health care expenses you paid for with personal funds today. The reimbursement can come next week, next year, or in the next decade, so keep your health care receipts in a permanent file.

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You may not be aware of some health care expenses until you receive an Explanation of Benefits (EOB) form from your insurance company. Save these statements as well. They help you understand what your health plan paid and what you still owe toward a qualified medical expense. (***Note:*** If you misplace your EOBs, you can often print them from your insurance company's portal or call the insurance company and ask it to send duplicates.)

TIP

ConnectYourCare offers HSA Save-It! — a tool for storing and saving your receipts online. Then, when you're ready to make a withdrawal in the future, it's quick and easy. Learn more at `connectyourcare.com`.

Balance your statements

Just like a typical savings account, you get statements for your HSA regularly, either electronically or mailed to your home. Check each statement to make sure the deposits and withdrawals are accurate. You are responsible for making sure your account doesn't exceed the maximum annual contribution amount.

WARNING

Many custodians charge extra for statements mailed to your home, while electronic statements may be free. Be sure to check out your fee structure and statement preferences.

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IN THIS CHAPTER

- Getting the most from your HSA
- Paying for allowed expenses
- Finding your preferred payment method
- Getting out of trouble if you mess up

Chapter 4 Spending Your HSA Funds Tax-Free

You can spend the money in your health savings account (HSA) tax-free (to this point, your deposits and earnings haven't been taxed) by following a few simple rules laid out in this chapter.

Maximizing Your HSA Plan

Before you use the funds in your HSA, look for other options to cover your health care expenses. You may be able to find alternatives that let you continue to save your funds and keep earning interest tax-free.

Discovering other coverage

The Affordable Care Act (ACA) mandates that high-deductible health plans (HDHPs) must cover certain preventive care at 100 percent without a deductible. You don't need to use your HSA funds to pay for preventive care, and the cost of preventive care doesn't impact your deductible.

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Preventive care typically includes wellness visits, health care screenings, routine immunizations for children, and screenings and vaccinations for pregnant women. Check with your plan to see exactly what is covered.

Seeking out discounts

Your plan may offer coverage to help with certain medical health improvement programs, including drug or alcohol dependency and certain smoking-cessation and weight-loss programs. You can access many community-based programs as well.

If you take an expensive medication, you already know to check whether you can take a less expensive generic version. But if you have to stay with the more expensive option, checking with the drug manufacturer is a good idea. The drug maker may offer a discount or help with the cost.

Spending on Qualified Medical Expenses

IRS rules determine that withdrawals from your HSA are tax-free only if they pay for qualified medical expenses. According to the IRS, a *qualified medical expense* is money you pay primarily to prevent or treat a physical or mental illness. *Primarily* is the key word in determining whether an expenditure is a qualified one, but thousands of products and services meet the approved health care expenditures requirements in Section 213(d) Medical Expenses as defined in the Internal Revenue Code.

For a list of qualified medical expenses, visit `connectyourcare.com/expenses` or IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, at `irs.gov/pub/irs-pdf/p969.pdf`.

TIP

You're responsible for deciding what to spend your HSA funds on, so it's good to familiarize yourself with what qualified medical expenses are. Also, get in the habit of keeping your receipts and Explanation of Benefits (EOB) notices in case you need to defend your expenditures or decisions during an audit. You can also use your receipts to justify reimbursing yourself for health care expenses you paid for with personal funds. The reimbursement from your HSA can come next week, next year, or even in the next decade!

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Qualified medical expenses under an HSA are defined as: medical copayments or coinsurance, long-term care costs, dental care costs, vision care costs, prescription medications, and some over-the-counter medications. HSA funds can also be used to pay for some health care premiums, including COBRA (Consolidated Omnibus Budget Reconciliation Act), long-term care, or post-65 retiree medical insurance premiums (though not Medicare supplement plans).

Things that run through your medical plan

Items you can pay for with funds from your HSA — and keep in mind that this is by no means a comprehensive list — include the following:

- **Medical care and services (of course!) including office visits, hospitalizations, and lab tests:** Whether you're paying a deductible, a copay, coinsurance, or the whole medical bill, it can come out of your HSA.
- **Health care costs incurred in another country:** If you become ill in another country, you can pay for your medical expenses from your HSA funds.
- **Prescription drugs:** When you need a prescription, consider generic drugs to save yourself and your HSA money. But whether you use generic or name-brand medications, you can use HSA funds to pay for them.

Other medical expenses

Your HSA may pay for some out-of-pocket expenses your health plan doesn't cover, including certain over-the-counter products. However, the ACA dictates that you need a written prescription in order to get reimbursed for qualifying over-the-counter medications if you use HSA funds to pay for them. See `connectyourcare.com/hsalimits` for more information on qualified medical expenses.

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Specific premiums

Generally, you can't pay insurance premiums with HSA funds. But every rule has exceptions, and this one is no different. You can pay your health insurance premiums from your HSA if

- You're receiving federal or state unemployment benefits.
- You're paying for COBRA continuation coverage. You may pay COBRA after leaving a job (voluntarily or involuntarily), for example, to continue with the medical plan you had under your employer.
- You're 65 or older on a retiree medical plan other than a Medicare supplemental policy.

REMEMBER

You can't use your HSA money to pay for your spouse's retiree medical premium until you (the account holder) reach age 65.

Another type of insurance premium you can pay for with your HSA is for a qualified long-term care insurance policy. *Long-term care insurance* pays the expenses of nursing homes, assisted-living centers, and in-home caretakers.

IRS rules take age into consideration when determining how much of a long-term care premium is considered a qualified medical expense. To see eligible amounts for the latest tax year for which figures are available, see Limit on long-term care premiums you can deduct in the instructions for Schedule A (Form 1040), at `irs.gov/pub/irs-pdf/i1040sca.pdf`.

Family health care expenses

When you have an HSA, you can use your funds to pay for the qualified medical expenses of your spouse and any dependents. A *dependent* is generally someone you can claim as an exemption on your tax return. A dependent can be your child, stepchild, or foster child. In some cases, your brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendant of any of them (for example, a grandchild, niece, or nephew) may qualify, but check with a tax advisor.

A child of divorced or separated parents can be a dependent of both parents as far as covering expenses with the HSA is concerned. Each parent can use HSA funds to pay qualifying expenses

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even if only one of them claims the child as a dependent on her tax return.

REMEMBER

You can spend your money on your family members even if they're not covered by the HDHP that makes you eligible for an HSA. The same expenditure rules apply to them.

Other expenses

The following everyday items, although typically not covered by medical insurance, are considered qualified medical expenses and can be paid for with your HSA funds:

- **Medical trips:** If you need to go out of town to receive medical care, some of the cost of your trip is an allowable expense. You can pay for up to $50 a night for lodging, plus some transportation costs, per IRS Publication 502 Medical and Dental Expenses, at `irs.gov/pub/irs-pdf/p502.pdf`.
- **Hearing aids:** Most health plans don't consider hearing aids a covered benefit, but you can pay for them with your HSA. Even the batteries for your hearing aid are eligible.
- **Dental:** You can pay for dental work, including implants and dentures from your HSA account. However, cosmetic dentistry such as teeth whitening isn't an allowable expense.
- **Eyewear:** You can use your HSA to pay for eyeglasses, contact lenses, and laser surgery. If it improves your vision, it's considered a qualified expense under HSA rules, so even the over-the-counter readers are eligible.

You can use your HSA to pay bills from a variety of alternative health care providers, including your acupuncturist, chiropractor, and Christian Science practitioner.

Choosing Your Payment Method

What you pay your physician depends on where you are with meeting your deductible. Always make sure your expenses are processed through the insurance plan first. There might be a discount!

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Health care payment card

Health care payment cards make it easier for you to pay your qualified medical expenses. Most HSAs offer a health care payment card that provides quick, convenient access to your funds. The payment card also helps you stay within your balance by making sure you have sufficient funds when you use it to pay expenses.

Online portal

In the 21st century, when everyone is plugged in, just about every HSA program maintains a portal where you can access your account information, request a withdrawal, and get information about your options.

Mobile payments

Just as HSA programs have an Internet presence, most also have an app you can download to your mobile device giving you the capability to manage your account on the go and tap into your HSA no matter where you are.

Spending in Specific Situations

The money in your HSA is always yours. Even if you leave an HDHP and can no longer contribute, you can still spend. You can also use your funds to pay yourself back for qualified expenses you initially paid for with personal funds. (Let us say again: Save your receipts!)

Exiting an HDHP

In addition to being HSA-compatible, one of the biggest attractions of HDHPs is the low premiums they carry. If you decide to switch to a more traditional plan without a high deductible, or if you lose coverage in an HDHP when you leave a job, you can no longer contribute to your HSA. Belonging to an HDHP is the prime qualification for putting money into an HSA.

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However, you still own the HSA and can continue to use the funds for qualified medical expenses tax-free. If you then return to an HDHP, you can resume making contributions to your HSA.

Reimbursing yourself

You can use your HSA to reimburse yourself for expenses you had as far back as when the HSA was first established. If you set up your HSA this year and incur a qualified expense, you can wait to reimburse yourself until you need the funds, whether that's next year or ten years from now. (Another good reason to save your receipts!) Innovations in technology have made this aspect of HSAs easy, fast, and convenient. (Check Chapter 7 for information on the HSA Save-It! program.)

TIP

No matter how you use your funds, it is important to maintain accurate records so you can prove the following:

- You actually incurred the expense.
- You weren't reimbursed for the costs.
- The bill wasn't paid by someone else (your insurance company, for example).
- You didn't itemize and deduct the expenses on your tax return.

Avoiding Spending Pitfalls

Uncle Sam has a few rules about HSAs that it pays to keep in mind. The most important rule is to spend HSA funds only on qualified expenses. No one monitors your spending, but if you're audited, the IRS will check, and you'll be very happy that you followed our advice and saved your receipts.

If you're ever in a real jam financially and need to pull out your money for a non-medical expense, the nice thing about having an HSA is that access to your money is only a withdrawal away. You'll pay tax and probably a penalty, which the next section talks about, but it's good to know that the money's there if you need it.

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Paying penalties

If you spend HSA money on anything other than a qualified medical expense, you must do the following:

- Claim the amount you spent as income on tax Form 8889.
- Pay income tax on it.
- Pay a 20-percent penalty on top of that.

If you're 65 or older or disabled, you aren't liable for the penalty. Payments from your HSA made after your death won't trigger the penalty, either.

Being audited

If you're audited and the IRS looks at your HSA expenditures, you need to be able to prove the following:

- The withdrawals you took were exclusively to pay for or to reimburse yourself (or your spouse or dependent) for qualified medical expenses.
- The expenses weren't previously paid or reimbursed from another source.
- The expenses weren't taken as an itemized deduction in any prior tax year.
- The expenses were incurred after your HSA's activation date.

TIP

So, keep your receipts in a safe place and, of course, keep copies of your tax files.

Correcting errors

If your HSA custodian allows it, you can correct errors if you made a mistake and used money from your HSA to pay for something that isn't considered a qualified medical expense. Unfortunately, a sincere "My bad" won't cover it. You must be able to prove that you didn't mean to make the mistake, and you have to put the money back into your HSA by the tax filing deadline (generally April 15) of the year following when you made the mistake.

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IN THIS CHAPTER

- Putting in as much as you can
- Investing and spending wisely
- Putting off drawing money out

Chapter 5
Recognizing the Tax Advantages of Your HSA

The funds in your health savings account (HSA) are tax-free in three ways: Deposits are non-taxable income; interest isn't taxed; and as long as you spend on qualified medical expenses, spending is tax-free, too!

Maxing Out Your Contributions

Maxing out your contributions every year is financially savvy. If you can make deposits into your HSA through your employer's cafeteria plan before taxes are taken out, you definitely want to take advantage of that. If putting in pre-tax dollars isn't an option, you can deduct your HSA contributions when you file your taxes. (Chapter 2 has more on contribution rules and regulations.)

The money in your HSA accumulates interest and grows tax-free, so it's a cost-effective way to save.

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Catching Up if You Under-Contribute

The golden rule of HSAs is: Don't under-contribute! (There's also that save-your-receipts thing — see the upcoming section. Maybe two golden rules are better than one?)

TIP

You can add to your HSA right up until you file your taxes for the year. So, if you haven't reached your contribution limit, you can make a last-minute deposit for the prior year on or before the tax filing deadline (generally April 15) and lessen your tax burden. (Don't forget to file Form 8889.)

Investing Your Funds Wisely

When you're comfortable with the amount in your HSA, and you've reached any minimum threshold designated by your HSA custodian or trustee, you can begin investing your funds. This is your chance to make smart investments and increase your HSA balance for future medical needs.

REMEMBER

Any interest or investment gains your HSA funds earn stay in your account tax-free, so make the most of your money.

Saving Your Receipts

You realize the full benefit of an HSA only when you spend the funds on qualified medical expenses. Protect yourself by saving receipts in case you ever have to prove that the money came out for qualified expenses. (You may want to save receipts beyond a single year's taxes — see the next section, "Deferring Distributions.")

WARNING

Be aware that you can't deduct expenses paid for with HSA funds on your tax return.

Deferring Distributions

Paying for your health care expenses out of your personal funds may be easier now, rather than in the future. The longer you can delay taking HSA distributions, the more time your funds have to grow.

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Consider saving your HSA money until you hit retirement, particularly because financial advisors are sounding the alarm that most people won't have enough in savings to cover anticipated medical expenses after they stop working.

REMEMBER

If you decide later that you want to reimburse yourself for qualified expenses paid with personal funds, withdraw the money then! Having the relevant receipts helps you calculate the correct totals and gives you the documentation you can put aside with your taxes.

Remember, you can use HSA funds even years after you incurred the expense, as long as you had an HSA when the expense occurred.

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IN THIS CHAPTER

- Finding the resources that work for you
- Staying well — financially and health-wise

Chapter 6
Keeping You and Your HSA Healthy

No one wants to pay extra for medical costs. But, how can you make sure that you're minimizing your expenses? With consumer-driven health care tools and a little common sense, you won't spend anything more than necessary.

REMEMBER

Rules governing health savings accounts (HSAs) may well change in the future. Keep on top of things through your benefits provider or the U.S. Treasury website at `www.treasury.gov`.

Comparing Costs

You can use your HSA funds to pay for thousands of eligible expenses, which are discussed in Chapter 4. But, you don't want to pay more than you have to, so it's important to compare costs when considering health care providers and medications. Prices for the same procedure can vary widely from hospital to hospital and doctor to doctor. Ask several providers for detailed costs to compare and decide what is right for you.

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Preventing Illness for Free

The Affordable Care Act (ACA) mandates that high-deductible health plans (HDHPs) cover certain preventive care at 100 percent without a deductible. *Preventive care* typically includes wellness visits, health care screenings, routine immunizations for children, and screenings and vaccinations for pregnant women.

You don't have to use your HSA funds — usually you don't have to pay anything — for preventive care and the costs you incur don't impact your deductible. Check with your plan to see exactly what is covered.

Seeking Out Discounts

Your plan may offer coverage to help with certain health-improvement programs, including drug dependency, alcohol dependency, certain smoking-cessation programs, and weight-loss regimens. Using your plan's in-network doctors also costs less than going to out-of-network doctors. Likewise, opt for generic drugs, which are typically much less expensive than comparable name-brand counterparts.

Managing Your Account Online

Back in the day, you had to mail or fax your reimbursement request and receipts to your account administrator, which made getting reimbursements time consuming and difficult. Now you can manage your HSA anytime from any electronic device through your health plan's online portal. Whether you're using a computer, smartphone, or tablet, your online participant portal puts account information and health education tools at your fingertips.

From most online accounts, you can see your account balance, view payment card charges, submit a request for withdrawal, check for account messages, and more.

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IN THIS CHAPTER

- Tapping into online wellness resources
- Using HSA funds before you contribute them
- Managing your HSA from anywhere with online and mobile tools

Chapter 7 Looking at ConnectYourCare Features

ConnectYourCare (CYC) offers a range of tools and services that make managing your health savings account (HSA) a snap. You get access to online wellness features, an easy-to-use participant portal, and a host of online and mobile features so you can check in on your HSA from anywhere at any time! This chapter gives you more information about these features.

The Participant Portal

Navigate to `connectyourcare.com`, or the web address provided to you, to enter the participant portal, providing you with access and the tools necessary to manage your HSA account online. You can accomplish a wide range of management tasks by following click-through links and easy-to-understand instructions:

- **View your account balance.** Log in to see your account balance (or balances if you have more than one account) in real time.

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- **Enter a reimbursement request.** If you used personal funds to pay for qualified expenses and want to reimburse yourself, you can submit your receipts and file claims through the online portal.
- **Submit receipts to back up your reimbursements.** Even if you pay for an expense using HSA funds, you still want to save receipts and you can do so online. That way, you have them handy if you ever need them for tax purposes.

  Save your receipts! They are both offensive and defensive tools — useful in creating claims and in defending your expenditures. See the section "HSA Save-It!"

REMEMBER

- **View the status of your reimbursement requests.** As soon as you submit a request (you may have to wait a few nanoseconds), you can see the details online. Check back, and you'll be updated as soon as the payment goes out, too.

Account and Wellness Resources on the Web

CYC offers a broad range of the most current, relevant, and user-friendly education tools to help you make the right choices, stay healthy, and be well informed. A sample of helpful tools include

- Marketplace options offering simple online shopping for eligible expenses
- Account calculators
- Account videos, guides, and tips
- Health education tools

HSA On Demand

Making the switch to a high-deductible health plan (HDHP) can come with concerns about paying for major medical expenses. Even with the added protection of an HSA, you may have a hard time paying a lot of bills right at the start of the year. CYC offers an innovative product called HSA On Demand, which makes your

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future contributions available if you need them for qualified medical expenses — *before* they are deposited into your account. It's like overdraft protection for your HSA. The accelerated funding is interest-free, and HSA On Demand is easy to track in your online account. ***Note:*** This feature may not be available with all HSA plans.

HSA Save-It!

When it comes to how you treat spending from your HSA, everyone typically falls into one of the following categories:

- You always use HSA funds to pay for qualified health care expenses.
- You never touch the funds in your HSA, letting them roll over and continue to grow.
- You use HSA money for medical costs when you need to, but use your personal funds for health care costs when you can.

If you use personal funds to pay health care costs, you can benefit from CYC's HSA Save-It! program. HSA Save-It! is an online tool for storing and tracking the expenses you pay with personal funds. Then, if you ever want or need to reimburse yourself, HSA Save-It! provides quick, easy access to your reimbursable funds at any time.

CYC Mobile Apps

If you have an Android or iOS mobile device (these days, who doesn't?), you can download CYC's secure, interactive mobile application. With the app, you can view your HSA information, tap to pay your doctor, tap to call customer service, and upload pictures of your receipts and other documentation. You can also submit reimbursement requests, check on your payment requests, see your investments, and access FAQs.

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Using text features

Signing up for the CYC Mobile Alerts feature turns texting into an account-access tool. You can send a text request for your account balance, your last five claims, or your last five contributions.

Accessing with your smartphone

You can still use your phone even if you don't download the app. CYC offers a streamlined version of the participant portal (see the previous "The Participant Portal" section) you can use to access your most important account information using your smartphone. Simply log in to your account at `connectyourcare.com` on any smartphone. The website responsively presents a mobile-friendly version of the participant portal. After you log in, you can look at your account balance, transaction history, claims details and summaries, and FAQs. You can even take pictures of your receipts and upload them to your account, saving time and the hassle of finding the receipts later!

Tapping the link at the bottom of the screen takes you to the full site instantly.

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IN THIS CHAPTER

» Looking at why you should open an HSA

» Realizing the benefits of an HSA

Chapter 8
Ten Reasons to Open an HSA

If you're still on the fence about whether to open a health savings account (HSA), the ten benefits (okay, you caught us; we only have eight) in this chapter may convince you to get started.

One Size "Saves" All

If your employer offers a cafeteria plan, you can sign up to have pre-tax dollars deposited into your HSA. The funds earn interest (and perhaps dividends) tax-free. By contributing the maximum legal amount each year, you can build a nice nest egg. Then, if you spend HSA funds only on qualified medical expenses, you don't pay tax on the money. Chapter 4 covers more on spending.

Anyone Can Contribute

Of course *you* can contribute to your HSA, but anyone who wants to can make deposits as well, including your employer, your great aunt, or your best friend. The best part is that no matter who puts

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the money in, other than your employer (employer contributions have already been excluded from your income), you get the tax deduction!

You Make the Decisions

Even if other people make deposits into your HSA, you're the only one who gets to make decisions about how to invest it and when to spend it. You can grow your HSA by investing your funds in stocks, bonds, mutual funds, and certificates of deposit. Some plans have no minimum requirement for starting an account. If you have a medical expense, you can move your investments back into your HSA without penalty.

It's Perfectly Portable

Unlike many things in life, you can take this with you. Your HSA is yours, just as an IRA is yours. After you start an HSA, it stays with you whether you change jobs, homes, or marital status.

One Is More than Enough

If you want one calendar year deductible for your family, a HDHP combined with an HSA is right for you. You can choose between a "per family" deductible or a "per person" deductible, as long as the per person deductible exceeds the statutory HSA amount for family coverage and the total family deductible stays within the prescribed guidelines.

Deadlines Don't Apply

Unlike with an IRA, whose rules mandate that you must take a portion of your funds out each year once you reach a certain age, with an HSA, you're never required to spend your money. Plus, there's no deadline for using the funds in your HSA. If you never get around to spending the money, it goes to your spouse or heirs when you pass away.

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Age Has Its Benefits

If you're 55 or older and still HSA eligible, you can contribute an additional $1,000 to your HSA (that amount may change) to help your HSA continue to grow with you as you age.

No More Shoeboxes — Ever!

Have trouble keeping your health expenses organized? Whether you're a super saver who uses your HSA for long-term savings, a "rainy day-er" who occasionally uses funds, or a spender who uses your savings to pay expenses as they happen, HSA Save-It! can put your receipts at your fingertips. It's a quick, simple way to store your documentation and make withdrawals from your HSA. Learn more at `connectyourcare.com`.

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ConnectYourCare is one of the nation's largest benefit savings providers, offering a comprehensive solution supporting all tax-advantaged accounts: HSAs, FSAs, HRAs, and more.

We are revolutionizing CDH accounts with market-leading innovations and services that are seamless, simple, and offer peace-of-mind—resulting in better adoption, higher satisfaction and lower costs.

We deliver continuous improvement and efficiencies through automated outcomes, insights, innovations, and enhancements to the overall experience with each and every interaction.

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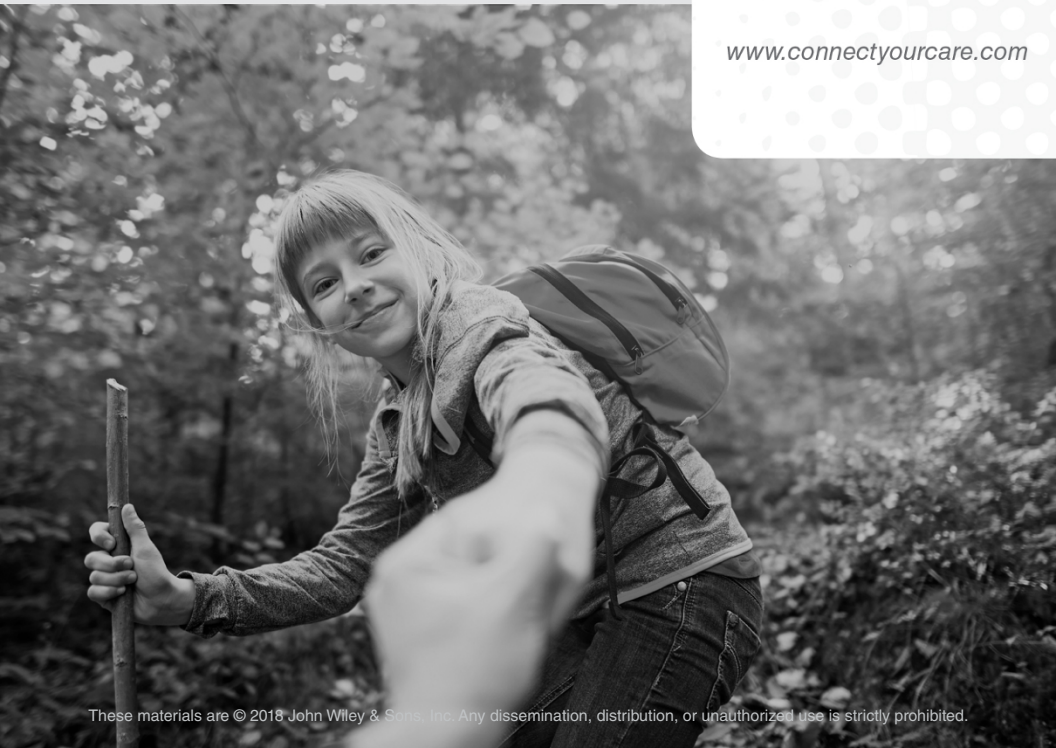

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Discover HSAs and their triple-tax advantage

HSAs For Dummies, 2nd ConnectYourCare Special Edition, gives you the lowdown on one of the best savings tools available today — the health savings account (HSA). Discover triple-tax savings, what's eligible for payment under an HSA, how to find discounts on health care, and what decision-making tools may be available to guide you to make the most of your HSA dollars.

Inside...

- Uncover money-saving tips
- Determine qualified medical expenses
- Learn who can contribute to your HSA
- Cover family medical costs
- Understand eligibility requirements

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