

What is a Health Savings Account?

A Health Savings Account (HSA) is an account that you can put money into to save for future medical expenses. There are certain advantages to putting money into these accounts, including favorable tax treatment.

Who Can Have an HSA?

Any adult can contribute to an HSA if they:

- Are covered under an HSA-qualified “high deductible health plan”
- Have no other first-dollar medical coverage (other types of insurance like specific injury insurance or accident, disability, dental care, vision care, or longterm care insurance are permitted).
- Are not enrolled in Medicare.
- Cannot be claimed as a dependent on someone else’s tax return.

Contributions to your HSA can be made by you, your employer, or both. However, the total contributions are limited annually. If you make a contribution, you can deduct the contributions (even if you do not itemize deductions) when completing your federal income tax return.

Contributions to the account must stop once you are enrolled in Medicare. However, you can keep the money in your account and use it to pay for medical expenses tax-free.

High Deductible Health Plans (HDHPs)

You must have coverage under an HSA-qualified “high deductible health plan” (HDHP) to open and contribute to an HSA. Generally, this is health insurance that does not cover first dollar medical expenses. Health insurance deductible must be at least:

\$1,350*-Self-only coverage **\$2,700*-Family coverage**

In addition, annual out-of-pocket expenses under the plan (including deductibles, co-pays, and co-insurance) cannot exceed:

\$6,750*-Self-only coverage **\$13,500*-Family coverage**

2019 HSA Contribution Limits

You can make a contribution to your HSA each year that you are eligible. Individuals age 55 and older can also make additional “catch-up” contributions.

Standard Limit		Additional Catch-up Contribution Amount
Self-Only	Family	
\$3,500*	\$7,000*	\$1,000*

How do I pay for my HSA expenses?

The Bank’s HSA Account provides convenient ways to pay for your qualified medical expenses. You can use your Free HSA Debit Card at doctor’s offices, pharmacies and other places where debit cards are accepted. You can also pay for your qualified medical expenses by writing a check, if you opt to receive HSA checks.

Advantages of HSAs

Security – Your high deductible insurance and HSA protect you against high or unexpected medical bills.

Flexibility – You can use the funds in your account to pay for current medical expenses, including expenses that your insurance may not cover, or save the money in your account for future needs.

Savings – You can save the money in your account for future medical expenses and grow your account through investment earnings.

Portability – Accounts are completely portable, meaning you keep your HSA if you change jobs, change medical coverage, become unemployed, move to another state, or change your marital status.

Ownership – Funds remain in the account from year to year, just like an IRA. There are no “use it or lose it” rules for HSAs.

Tax Savings – Contributions to an HSA are fully deductible, the earnings grow tax deferred, and distributions for qualified medical expenses are tax free. Consult with your tax professional.

Opening Your HSA

If you are eligible, you can establish an HSA and help control your health care expenses. Each year, you determine your allowable annual HSA contribution, and whether you have qualified medical expenses eligible for reimbursement with nontaxable HSA distributions.

ANB Bank’s Health Savings Account:

Minimum Opening Deposit	\$100
Monthly Service Charge	\$ 3
Account Set-up Fee	\$ 0
Interest Bearing	\$ 100 - \$ 999.99 \$ 1,000 - \$ 2,499.99 \$ 2,500 - \$ 9,999.99 \$10,000 - +
Minimum Balance to Earn Interest	\$100
Check Writing / Withdrawals	Unlimited
HSA Debit Card	Free
Check Orders	First 25 Checks Free
Check Safekeeping	Free

Need More Information about HSAs?

Treasury’s web site has additional information about Health Savings Accounts, including answers to frequently asked questions, related IRS forms and publications, technical guidance, and links to other helpful web sites. Treasury’s HSA website can be found through www.treasury.gov (search for “HSA”).