



An HSA-compatible plan might be right for you

A qualified high-deductible health plan (HDHP) with a health savings account (HSA) empowers you to invest in future health care and create long-term savings.

When your employer offers you an HDHP, you have the opportunity to use HSA funds to pay for medical and pharmacy services, including your deductible and/or copayments. Plus, save money to pay for future medical expenses.

Your HSA investment (including the money your employer may contribute) is always yours. You won't lose it if you don't spend it, or if you change jobs, retire, or leave the health plan.

With an HDHP from Western Health Advantage and an HSA, you have access to an easy, hassle-free, tax-free HSA allowing you to reduce your taxable income and build that nest egg.

How does an HSA work?

* MAXIMIZE TAX SAVINGS¹

Enjoy tax-deductible contributions, tax-free earnings, and tax-free distribution for qualified medical expenses (QMEs).



* PAY FOR HEALTHCARE

Use your HSA money to pay for thousands of QMEs, including doctor visits and over-the-counter health and wellness purchases.



* ROLL OVER FUNDS

Keep the HSA contributions that you collect year after year—even if you change employers or health plans.



* SAVE FOR RETIREMENT

Your HSA works like a second 401(k)² once retired, allowing you to use your funds to pay for health care premiums and expenses.



visit • mywha.org/HSA

find resources to help you choose an HDHP

call • WHA Sales 888.499.3198



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FREQUENTLY ASKED QUESTIONS

Q. What is a QME?

A. Qualified medical expenses, as designated by the Internal Revenue Service (IRS), include medical, dental, vision and prescription expenses.

Visit mywha.org/HEQ to access the IRS's online resource detailing QMEs (under Quick Links).

Q. How much money can I contribute to my HSA?

A. The maximum contribution set by the IRS is demonstrated in the chart below:

| | Individual with self-only coverage | Family coverage |
|-------------|------------------------------------|-----------------|
| 2024 | \$4,150 | \$8,300 |
| 2023 | \$3,850 | \$7,750 |

People 55 and older can make an additional \$1,000 "catch-up" contribution. Limits are the same regardless of source.

Q. How much can contributing save me on taxes?

A. If you're in the 25% tax bracket and contribute \$1,500, you save \$375 in taxes! In addition your \$1,500 grows tax-free in your HSA. And when you incur costs, you have money you can withdraw with no tax penalty for qualified medical expenses.

| Sample Tax Savings | Your Contribution: \$1,500 Annual Medical Expenses: \$500 | | |
|---|--|----------|----------|
| | 5 Years | 10 Years | 20 Years |
| Contribution plus interest at years end | \$5,204 | \$10,949 | \$24,297 |
| Cumulative tax savings | \$1,951 | \$4,106 | \$9,111 |

*Examples based on a 2% interest rate on HSA compounded over time and a 25% federal tax bracket. Individual results will vary based on the amount contributed to the HSA, medical expenses, and tax bracket.

Why an HSA Might Be Right for You

Employee HSA deposits are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Additionally, most states recognize HSA funds as tax-free with very few exceptions. The added value of having an HSA include:

- Deposits reduce the taxable income of users, and withdrawals used for qualified health care expenses are not taxed.
- Deposits are FDIC-insured³ and earn tax-free interest.
- Funds can be used post-retirement (after age 65) for medical and non-medical expenses without penalty, much like an IRA.

Be Sure to Open an HSA

To maximize your savings, you will need to have an HSA, whether one is offered through your employer or you establish it directly with a bank of your choice.

¹HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Please consult a tax advisor regarding your state's specific rules.

²Investments made available to HSA members are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by the HSA administrator.

³FDIC-insured deposits are subject to applicable requirements and limitations.