

# WINNING WITH HealthEquity HSA

## Making the Most of your HSA-Compatible High-Deductible Health Plan (HDHP)



**You have access to an easy, hassle-free HealthEquity health savings account (HSA) as a benefit of your WHA HSA-compatible HDHP. Discover the best way to save for health care, and a great way to save on taxes.**

### What Is an HSA?

An HSA is a tax-free savings account that works with a qualified health plan to help you pay your insurance deductible and qualified out-of-pocket medical expenses. You take the money you would have paid for higher health insurance premiums and use it to pay qualified medical expenses or save it and let it grow from year to year. What's more:

- Your HSA—including all the money you and your employer (if applicable) contribute—is yours. You won't lose it if you don't spend it, change jobs, retire or leave the health plan.
- You never pay taxes on withdrawals for qualified medical expenses<sup>1</sup>.
- Your money earns interest and you don't pay taxes on the interest earned<sup>1</sup>.
- Your contributions are tax-free and reduce your overall taxable income.

### How an HSA works

An HSA paired with an HSA-qualified health plan allows you to make pre-tax\* contributions to an FDIC-insured savings account. Balances earn tax-free\* interest and can be used to pay for qualified medical expenses, HSA-qualified health plans typically cost less than traditional plans and the money saved can be deposited into your HSA.

Qualified medical expenses (QME) are designated by the Internal Revenue Service (IRS). They include medical, dental, vision and prescription expenses. Visit [mywha.org/HEQ](https://mywha.org/HEQ) and see Quick Links to access the IRS's online resource detailing QMEs.

\*HSAs are never taxed at federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax-free with very few exceptions. Please consult a tax advisor regarding California's specific rules.

[see reverse for more](#)

**LEARN MORE ABOUT HEALTH EQUITY** | Call **888.499.3198** or visit [mywha.org/HEQ](https://mywha.org/HEQ)

## Benefits of Your HealthEquity HSA

- Easy-to-use online access to claims and payments—access claims<sup>2</sup>, pay bills, get reimbursements, and more—all from a single, easy-to-use online portal.
- Live service 24/7/365—get the same service at 2 a.m. or 2 p.m. from knowledgeable, US-based HealthEquity Member Services specialists.
- Remarkable education and support—Rely on HealthEquity Member Services and online resources to get the most from your HSA.
- Knowledge of your Western Health Advantage claims data to “bridge the gap” between your responsibility under insurance, and your payments from your HSA.
- Everything you get from a typical HSA and more—including:
  - FDIC-insured cash deposits that earn competitive interest rates
  - Free mutual fund investment options with no transaction fees<sup>3</sup>
  - Free HealthEquity Visa® health account card†

## 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 withdraws used for qualified health care expenses are not taxed.
- Deposits are FDIC-insured 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.

## Frequently Asked Questions

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

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

	2022	2023
Individual with self-only coverage	\$3,650	\$3,850
Family coverage	\$7,300	\$7,750

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

### Q. How much can contributing to an HSA 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
Savings with 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.

† This card is issued by The Bancorp Bank pursuant to a license from Visa U.S.A. Inc. The Bancorp Bank; Member FDIC.

<sup>1</sup> Under federal law and most state laws.

<sup>2</sup> Requires that your health plan be integrated with HealthEquity.

<sup>3</sup> Investment options and balance thresholds required to invest vary and are subject to change. 42006 claims data from insurer with more than 700,000 lives.