

HEALTHSAVER Account HSA OVERVIEW



The TRI-AD HealthSaver HSA is the perfect way for you to get the most out of your employee benefits program! This account is used in conjunction with the High Deductible Health Plan (HDHP) offered by your employer, and allows you to pay the associated out-of-pocket expenses with tax-free dollars.

A **High Deductible Health Plan (HDHP)** is a health plan that by its very nature has a high deductible that you must cover before the Plan starts to pay benefits. It also must satisfy specific IRS requirements, discussed later. Most HDHPs exempt preventive care from the deductible. If yours does, your annual checkups may be covered without having to meet your deductible.

A **Health Savings Account (HSA)** is a tax-exempt account that works in conjunction with an HDHP to allow you to pay for out-of-pocket health care expenses with tax-free dollars. This includes deductibles, coinsurances, copayments, prescription drugs and more. See the chart on page 3 for more details or visit the list on our website at www.tri-ad.com.



Five Great Reasons to Use a HealthSaver Account

- 1. Thrifty!** HealthSaver Accounts save you up to 35% on out-of-pocket health care expenses
- 2. Tax-free!**
 - HealthSaver Account contributions are free of Federal and most states' income tax and Social Security ("FICA") tax
 - Earnings (if any) are tax-free
 - Distributions for qualified expenses are tax-free
- 3. Flexible for immediate and long-term savings!**
 - Carry the account balance forward from year to year
 - Portable from employer to employer
 - Use it for COBRA premiums, too
 - Once you have met a required minimum balance, you can start investing your HealthSaver Account in various investment vehicles
- 4. Hassle-free!**
 - No claims substantiation is required to receive your funds, but be sure to keep your receipts in case the IRS requests proof that your expense was qualified
 - Pay your expenses using the convenient debit card
- 5. Secure your future!** HealthSaver Account balances can be used to pay for out-of-pocket health care expenses in retirement – tax free

Tax Savings – An Example

Jason is married and has two young children. He has family coverage under his employer's High Deductible Health Plan, which has a family deductible of \$3,500, after which his plan pays 100% of costs. He incurs \$3,500 in expenses when his youngest son falls off the jungle gym and breaks his leg.



	Without the HealthSaver Account	With the HealthSaver Account
Annual Pay	\$62,000	\$62,000
Contribution to the HealthSaver Account	N/A	\$3,500
Taxable income (W-2 earnings)	\$62,000	\$58,500
Federal and state income taxes	\$16,120	\$15,210
FICA (Social Security + Medicare)	\$4,743	\$4,475
Total taxes	\$20,863	\$19,685
After tax expenses	\$3,500	N/A
Net spendable income	\$37,637	\$38,815
Increase in spendable income		\$1,178



Are You Eligible for a HealthSaver Account?

You can only contribute to the tax-free HealthSaver Account if you are covered under a medical plan that qualifies as a High Deductible Health Plan (HDHP), as defined by the IRS. Please check with your Benefits Department if you are unsure whether your medical plan is a Qualified HDHP.

If you are also covered under your spouse's medical plan and it is not an HDHP (see above), or if your spouse has a Health Care Flexible Spending Account (FSA), you are not eligible to contribute to an HSA.

How Much Money Can You Put into the HealthSaver Account?

Your maximum annual HSA contribution is provided in the chart. Because these IRS limits change each year, check the HealthSaver Participant Toolkit for the most up-to-date limit information.

If you are age 55 or older, you can also make additional "catch-up" contributions. Your annual contribution is not limited to the amount of your health plan's deductible. For example, if your HDHP has a \$2,000 deductible for single coverage and you are single-covered, you could still put up to the IRS limit into the HealthSaver Account.

You may contribute up to the annual maximum even if you start participating mid-year as long as you maintain coverage in the HDHP for the 12-month period beyond the calendar year in which you first became eligible. For example, if your coverage begins in October of this year, you can put an amount up to the maximum in the account this year as long as you stay in the HDHP through the end of next year.

IRS Requirements

2024	Single Plan	Family Plan
HDHP Minimum Deductible	\$1,600	\$3,200
HDHP Maximum Out-of-Pocket	\$8,050	\$16,100
HealthSaver Account Contribution Limit	\$4,150	\$8,300
HealthSaver Account Catch-Up Contribution (55 or older)	\$1,000	\$1,000

2025	Single Plan	Family Plan
HDHP Minimum Deductible	\$1,650	\$3,300
HDHP Maximum Out-of-Pocket	\$8,300	\$16,600
HealthSaver Account Contribution Limit	\$4,300	\$8,550
HealthSaver Account Catch-Up Contribution (55 or older)	\$1,000	\$1,000

Opening a HealthSaver Account

Once you sign up for the HDHP and decide to benefit from the savings the HealthSaver Account provides, the first step is to open your account. ***Your payroll deductions may be held in a pending status until your account is open. See your enrollment materials.***

Because your HealthSaver Account is a bank account, you will be asked for the personal information needed to comply with the provisions of the USA PATRIOT act. The information is kept confidential in accordance with standard banking procedures.

You can open your account online at www.tri-ad.com to get started. Once you are logged in (a one-time registration is required), you will be guided through the account opening process.



If You Already Have an HSA

There are a couple of choices you could make if you have an existing HSA. You could:

- **Open a HealthSaver Account and roll your current HSA into the new one.** By opening the HealthSaver Account, you will be able to access the debit card feature, which makes your HSA very easy to use.
- **Maintain your existing HSA and participate in the HealthSaver Account.** The accounts are completely separate and only your TRI-AD HealthSaver Account and your Limited Purpose FSA (if applicable) can be accessed with your TRI-AD benefits debit card.

Making Deposits to Your HealthSaver Account

There are two ways you can put money into your HealthSaver Account. The first is through pretax payroll deductions managed by your employer. The second way is by making payments directly to your HealthSaver Account. These are made with after-tax dollars for which you would claim a deduction when you file your taxes. You can set up one-time or recurring transfers to your HealthSaver Account at our website.

Some employers also contribute to their employees' HSAs. If your employer contributes to your HealthSaver Account, this is also done tax-free to you, and their contributions count toward the annual maximum contribution.

Keeping Your HealthSaver Account Secure

The TRI-AD HealthSaver Account uses a national bank custodian, meaning your money is held by the bank, not by TRI-AD. The portion of your account that is kept in cash (i.e., not the part you invest in mutual funds) is kept in an interest-bearing FDIC insured bank account, so deposits up to \$250,000 are insured by the federal government. Any portion of your money you choose to invest in mutual funds is subject to the market's fluctuations and is not covered by the FDIC. Your account itself is insured by the SIPC against bank insolvency.



Some Common Eligible Expenses

- Acupuncture, acupressure
- Chiropractic visits
- Contraceptives
- Dental care
- Drug and medical supplies
- Eye care: exams, prescription glasses and sunglasses, contact lenses and solutions, LASIK procedures
- Family counseling for a medical condition
- Hearing aids
- Insurance copayments and deductibles
- Long-term care premiums
- Orthodontia (including pre-paid arrangements)
- Over-the-counter items: certain health-related products, and medicines
- Physical therapy for a specific medical condition
- Prescription drugs
- Psychology, psychiatry care and fees
- Smoking cessation programs
- Treatment for alcoholism and drug addiction
- Weight loss programs prescribed by a doctor for a medical condition
- COBRA or medical plan premiums during periods of unemployment
- Retiree health insurance premiums

Common Ineligible Expenses*

- Premiums for other health plans not specifically listed above as eligible premiums
- Cosmetic procedures (teeth whitening/veneers, liposuction, Botox, etc.)
- Vitamins and supplements used for general wellness

This is a partial list. Access to an extensive list of eligible items is available by logging into your HSA account at www.tri-ad.com.

*If you use your HealthSaver Account funds for a non-approved purpose, you will have to pay taxes and a penalty.



Why Use the HealthSaver Account?

- Easy pretax payroll deduction
- Automatically make contributions from your bank account or payroll
- Convenient debit card
- Online claim filing for non-debit card purchases
- Account information available online
- Investment options available

Accessing Your HealthSaver Account

There are a couple of ways you can access your funds:

- The debit card provides automatic access to your HealthSaver Account. When you pay an expense, just swipe your debit card at the point of purchase, or if you are paying a bill, write your debit card number on the bill just as if you were paying with any credit card.
- You can also go online to the HealthSaver Participant Toolkit, log into your account, and request a withdrawal. You have the option to have funds transferred to another bank account — just log in and provide bank information to set up direct deposit. You may also have a check mailed to you.

Today's retiree will spend, on average, \$250,000 out-of-pocket on medical expenses, and the 90th percentile will spend almost \$700,000 over the course of their retirement. These numbers are escalating rapidly. A HealthSaver Account is a great way to carry tax-preferred treatment of health care expenses well into your retirement years.

Investing for the Future

Once you have over \$1,000 in your account, you will have the option to invest in the mutual funds available through your HealthSaver Account.

There are many different mutual funds available. They have been carefully chosen to provide a wide enough range of offerings to allow you to diversify your money across stocks (in various asset classes), bonds and cash so that you can invest according to your risk tolerance. They also have been chosen with an eye to both performance track record and fund fees so that you are offered options that are a good value.

After you log in, see information on the mutual fund choices available through the HealthSaver Account. After you have opened your account, you will have access to fund fact sheets and prospectuses for each available investment option.

Building Your Tax-Free HealthSaver Account Balance

Your HealthSaver Account is a great way for you to build a tax-free account to pay for medical expenses in retirement, as well. If your contributions today exceed your expenses, your account can grow tax free until you need it.



Website:

www.tri-ad.com

TRI-AD Participant Services:

888-844-1372 5:00 a.m.–6:00 p.m., Pacific Time

email: hsamail@tri-ad.com

The information in this brochure is summary in nature and is intended for educational purposes only. For specific information about your High Deductible Health Plan and HSA, please refer to the Summary Plan Description(s) and/or Plan Document(s). In the event that this brochure is not in accordance with the official Plan documents, the official Plan documents shall prevail.