



Understanding HSAs

Why Consider a HealthFlex HDHP? HDHP's Tax-Advantaged HSA Saves You Money!

A health savings account (HSA) can be used to pay for eligible health-related expenses that are not reimbursed through HealthFlex. An HSA is a triple tax-advantaged account paired with an *IRS qualified* high-deductible health plan (HDHP).

1. HSA contributions are deductible from gross income.
2. HSA earnings accrue tax-deferred.
3. HSA withdrawals are tax-free for eligible expenses.

An HSA enables you to save pre-tax money for future medical expenses, including retiree health savings benefits.

HSA Contributions and Limits

The IRS determines HSA contribution limits. The IRS annual contribution limits apply to *total HSA contributions*: any plan sponsor contributions plus any optional contributions you make to the HSA, plus any defined contribution (DC) "excess" contribution (if applicable).

HSA annual contribution limits (for 2017—defined by IRS)

- Individual coverage in HDHP: **\$3,400**
- Family coverage in HDHP: **\$6,750**
(If you and your spouse each have separate HSAs and at least one of you is enrolled in family HDHP coverage, the family limit applies to *both HSAs combined*.)
- Participants age 55 and older may contribute an extra \$1,000 for individual or family coverage

Contributing to Your HSA—Optional

HSAs allow participant and employer contributions. Some HealthFlex HDHP plan designs (H1500, H2000) include an "employer" (plan sponsor) HSA contribution.* You can make an additional tax-deferred contribution to the HSA through pre-tax payroll contributions elected during Annual Election or by mailing personal contributions directly to the issuing bank (BNY Mellon) at any time during the year. *Personal contributions to an HSA are optional.* Use **WebMD's Coverage Advisor** (on the HealthFlex/WebMD website) to help estimate how much to set aside in your HSA.

* The H3000 does not include an employer contribution.

Who Can Use Your HSA

The HSA can be applied to eligible health care expenses incurred by:

- Primary participant (i.e., the clergyperson or lay employee)
- Participant's spouse
- Participant's dependents **under age 19 (or under age 24 if a student)**

Note: Eligible expenses incurred by a dependent (under age 24) or a spouse may be applied to the primary participant's HSA—even if the dependent or spouse is not in the HealthFlex HDHP.

Tax Implications

Please consult a professional tax adviser for HSA questions. You are responsible for the accuracy of tax reporting and information submitted to the IRS.

Other Important Details about HealthFlex HSA

- *Unused HSA funds roll over year to year*—with no limit to the accumulated balance.
- *If you leave a HealthFlex HDHP* [for example, you elect a HealthFlex consumer-driven health plan (CDHP) or leave HealthFlex altogether]:
 - You can no longer contribute to your HSA.
 - Your plan sponsor will no longer contribute to the HSA.*
 - You do not lose the HSA balance accumulated to date. The HSA balance is owned by you and cannot be forfeited even if you leave HealthFlex.
- Your WageWorks Healthcare card (debit card) works for your HSA (and your limited-use HRA and/or health care FSA, if applicable).
- If you have limited-use FSA or HRA funds and use your WageWorks debit card, the FSA and then HRA will pay first for eligible dental and vision expenses, until the IRS-defined deductible is met (\$1,300 individual coverage/\$2,600 family coverage for 2017).

Learn More About HSAs

www.wageworks.com/gbop

General HSAs information and HSA-eligible expenses

Health Savings Accounts summary document—
Details about HSA rules and restrictions

wespath.org; log in to **HealthFlex/WebMD**

- Select "**Reimbursement Accounts WageWorks**"
HSA-eligible expenses
- Under "**Details and FAQs**"
Debit Card FAQs

Helpful Terms

CDHP	consumer-driven health plan	HRA	health reimbursement account
DCA	dependent care account	HSA	health savings account
HDHP	high-deductible health plan	FSA	flexible spending account