

Information on Health Savings Accounts

A Health Savings Account is a fund you can establish to pay for medical expenses associated with a High-Deductible Health Plan or invest for your future health care needs. Under federal guidelines, you need to enroll in a High-Deductible Health Plan to be able to set up a Health Savings Account.

Your Best Buy HSA plan is not a Health Savings Account. It is a qualified High-Deductible Health Plan that allows you to set up and contribute to a Health Savings Account if you meet other eligibility criteria established by the Internal Revenue Service.

Why set up a Health Savings Account?

Tax savings

- You can contribute personal funds to your Health Savings Account and claim a tax deduction when you file your personal taxes.
- Your interest earnings and withdrawals for qualified health care expenses are tax-free as well.

No “use-it-or-lose-it”

- Any unused amounts in your Health Savings Account carry over from year to year.
- You don’t have to worry about forfeiting your contributions at the end of the year.

It’s yours

- You own your Health Savings Account. When you change jobs or retire, your money stays with you.
- The funds in your account are yours to spend on medical expenses associated with your High-Deductible Health Plan and many other health-related eligible expenses, or save for future health care needs.

It’s flexible

- You and anyone else can contribute to your Health Savings Account up to the legal limit.
- Funds in your Health Savings Account can be used to pay for health care services not covered by your High-Deductible Health Plan, such as laser eye surgery or alternative care.
- You can use Health Savings Account funds for non-medical expenses, but withdrawals are subject to taxation, and in many cases, a penalty.

Use it for the future

- Health Savings Accounts may be an effective way to invest for future health care needs and retirement.

Where to find out more

- Contact your Health Savings Account administrator to find out how to get the most from your Health Savings Account.
- Visit www.hphc.org/hsaquickstart.