



# What is a Health Savings Account (HSA)?

A Health Savings Account (HSA) is like a 401(k) for health care – a tax advantaged account that you can use for qualified medical expenses today or save for the future.

You can use money you’ve contributed into your HSA for qualified medical expenses, federal income tax free. **This includes doctor’s visits, prescriptions, deductibles, and dental and vision care for yourself as well as your spouse or dependents.**

## There are a number of great benefits to using an HSA:

- Contributions to an HSA are not taxed.
- Withdrawals for eligible expenses are not taxed.
- You can make changes to your contribution at any time.
- HSA funds carry over from year to year without forfeiture.
- After age 65, your funds can be withdrawn for any purpose without penalty (subject to regular income taxes).

## The below sample chart illustrates how savings add up and save you money!

	With HSA	No HSA
Annual Pay	\$35,000	\$35,000
Pre-tax HSA contribution	(\$1,500)	\$0
Taxable Income	\$33,500	\$35,000
Federal Income and Social Security Taxes	(\$7,362)	(\$7,852)
After-tax dollars spent on eligible expenses	\$0	(\$1,500)
Spendable Income	\$26,138	\$25,648
<b>Potential Tax Savings with an HSA</b>	<b>\$490</b>	<b>\$0</b>



## ELIGIBLE EXPENSE EXAMPLES:

- Acupuncture
- Birth Control Pills
- Chiropractic Care
- Contact lenses and related materials
- Dental treatment, including orthodontia
- Eye exam and glasses
- Fertility treatment
- Hospital Services
- Insulin and diabetic supplies
- Laboratory fees
- Laser eye surgery
- Physical therapy
- Prescription Drugs

These are just a few examples of the many eligible expenses. Click [here](#) to see a complete list of eligible expenses from the IRS.

The annual limit on HSA contributions for 2021 are **\$3,600 for self-only and \$7,200 for family coverage**. If you are over the age of 55, you can contribute an additional \$1,000 per calendar year into an HSA.