



Health Savings Account
Participant Guide



A **Health Savings Account (HSA)** allows individuals enrolled in a **High Deductible Health Plan (HDHP)** to set aside money on a pre-tax basis to pay for qualified medical expenses.

HSAs are excellent savings vehicles for current and future medical expenses. Plus, they can play an important part in your overall retirement strategy.



Pre-tax contributions lower taxable income and increase take-home pay.



You are not taxed on the money you spend on medical expenses.



Funds may be invested and there are no taxes on invested funds.

Health Savings Account

Eligibility

In order to make contributions to an HSA, **you must be enrolled** in a qualified HDHP. This eligibility relates to contributions only. Enrollment in a qualified HDHP is not required in order to receive disbursements from the HSA.

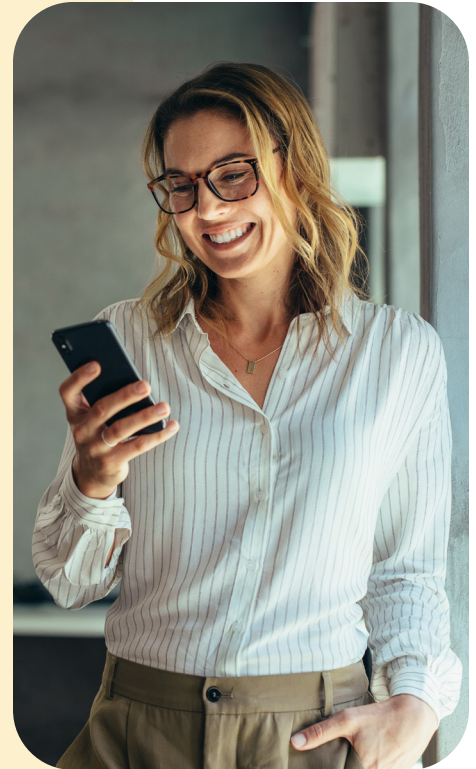
You are not eligible if you are:

- ✘ **Covered under a non-HDHP.**
- ✘ **Enrolled in a Healthcare FSA or your spouse is enrolled in one.**

If you or your spouse are enrolled in a Healthcare FSA with a grace period, you are not eligible to contribute to an HSA until the first day of the month following the end of the grace period.

You may be enrolled in a **Limited Purpose FSA (LPFSA)**. Generally, a LPFSA allows for reimbursement of dental, vision and post-deductible expenses only.

- ✘ **Claimed as a dependent** on another's tax return.
- ✘ **Enrolled in Medicare.**
- ✘ **Covered by VA or IHS benefits** and have used those services within the last three months.



Identity Verification (IDV)

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

When an account is opened, we ask for the name, address, date of birth, and other information that will allow us to identify the accountholder.

An identity is verified through the use of a database maintained by a third party. If the identity cannot be verified, the accountholder is required to provide additional information, such as a driver's license or other identifying documents.

If verification is not possible within 90 days, the HSA may be closed.

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Enrollment

So long as you are eligible, you can enroll in an HSA at any time during the year. (This is often concurrent with HDHP enrollment. Check with your employer for details.)

Because HSAs are **individual-owned accounts**, they can always move with you no matter where you work. If you leave your job, you can keep your HSA and all the funds in it.

If you have an existing HSA with another bank, you can also transfer these funds to TASC to be combined with your new HSA. Once you have enrolled, submit a support request or call us to get the process started.



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Contributions

The amount you or any other person can contribute to your HSA depends on the type of HDHP coverage you have, your age, the date you become an eligible individual, and the date you cease to be an eligible individual.

HSA contributions may be applied and funded in three ways:

- 1 **Employee payroll contributions.** Your employer sends your pre-tax payroll deductions to TASC.
- 2 **Employer contributions or contributions from another person.** Your employer (or a third party) sends funds to TASC.
- 3 **Post-tax contributions outside of payroll.** You send funds directly to TASC by check.

TASC then passes all contributions received to the **custodial bank** to fund your HSA.

Contributions are not taxed as long as the total amount from all sources is within IRS limits.

You may change contribution amounts throughout the year without a qualifying event.

IRS Limits	2024		2025	
	Self-Only	Family	Self-Only	Family
HDHP Minimum Deductible	\$1,600	\$3,200	\$1,650	\$3,300
HDHP Out-of-Pocket Maximum	\$8,050	\$16,100	\$8,300	\$16,600
HSA Contribution Limit	\$4,150	\$8,300	\$4,300	\$8,550

Reporting Requirements

TASC will send tax information to you yearly to assist you with record management and tax preparation.

IRS Form 1099-SA is sent in January, reporting disbursements made in the previous tax year.

IRS Form 5498-SA is sent in May, showing contributions made to the account.

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Disbursements

You can use your **TASC Card®** or request a disbursement online, with the mobile app, or via paper form. Reimbursements for manually submitted requests will be available through the TASC Card in your **MyCash** account.

Qualified medical expenses listed in [IRS Publication 502](#) are considered eligible for tax-free reimbursement.

Expenses may be incurred by you, your spouse, or your dependents claimed on your tax return. Only expenses incurred after the HSA was established are eligible.



Health Savings Account **Investments**

The HSA consists of two accounts: The **Cash Account** and the **Investment Account**.

A minimum balance of \$2,000 must be maintained in the Cash Account to cover disbursements. Balances over this amount may be invested via the Investment Account.

After you enroll, you will set up your access to the **Schwab Retirement Technologies (SRT)** platform so you can select and manage your investments. Refer to our *Investment Toolkit* for instructions.

You can choose from several fund options, set by the **Plan Fiduciary**. Funds in the Investment Account earn dividends, which work the same way as interest, except earnings on dividends fluctuate based on market performance.

HSA Saving



vs



HSA Spending

Select your investments in SRT whether you plan to use your HSA as a savings tool for future expenses...

Or if you need to use your HSA to cover current out-of-pocket expenses, make your investment selections accordingly.

www.tasconline.com
800-422-4661

TASC does not provide any legal advice, investment advice, or tax advice to clients or individuals.

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