



HSAs

Health Savings Account

Welcome to your health savings account (HSA) from Blue Cross and Blue Shield of Vermont.

As your trusted partner in health and wellness, we're making these HSA accounts intuitive, accessible and pain free. Everything you need is just a tap, click, call or swipe away.

If you have questions or need more information about an HSA, our expert customer service team is ready to help.



An Independent Licensee of the Blue Cross and Blue Shield Association.

www.bcbsvt.com/mymoney



**Save money
tax free**

**Earn interest
tax free**

**Pay for health
care expenses
tax free**



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Introducing the HSA

A health savings account (HSA) works like an individual retirement account (IRA) that you own. It belongs to you and the money is yours to keep, even if you change jobs or retire. You don't pay any taxes on the money you put in or take out, as long as you use it for medical expenses as defined by the IRS.

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An HSA is right for you if...

- You're enrolled in an HSA-qualified health plan.
- You can't be claimed as a dependent on someone else's taxes.
- You have no other health coverage.
- You can contribute some money each month to save or pay for health care expenses.
- You aren't enrolled in Medicare.
- You want to be ready when you have unexpected health care needs.

How an HSA works

Medical premium
(your monthly
payment for
health insurance)

Premiums may cost less
for HSA-qualified plans.

Out-of-pocket costs
you pay for health care
(up to deductible
and coinsurance)

Consider how much
you'll spend on health care
next year. Put that money into an
HSA pretax from your paycheck.

HSA contributions

Putting money into an HSA
helps you prepare and pay
for these costs tax free. If
you don't need the money,
save it for future needs.

Out-of-pocket
maximum

Once you reach your out-of-pocket
max, eligible services are covered
at 100%. This protects you from
a major financial crisis should
unexpected health care needs arise.

Five ways an HSA can help you save for your future

1 Money is not taxed. Money goes into your HSA without paying state or federal taxes. That brings down your taxable income and saves you as much as 28 to 40 percent on medical expenses, depending on your tax bracket¹.



2 No “use it or lose it” rule. Money in your HSA belongs to you, even if you change jobs or health plans, or retire.



3 Invest and grow your money. Your money can earn interest tax-free, from day one. When your Base Balance reaches \$1,000, you can activate your self-directed account to invest in more than 30 investment options through Charles Schwab.



4 More flexibility and choice. You can use your HSA dollars for certain health care expenses² beyond what your plan covers, allowing you to purchase these services tax-free even if they aren’t covered.



5 Even out medical expense highs and lows. Since you manage your funds, you can save HSA money when you’re healthy so it’s ready when you need it.



Heads up!

You can’t use your HSA for these:

- Health insurance monthly premiums
- Expenses that aren’t related to medical treatment or care as defined by the IRS

All systems go!

Use your HSA for these:

- Medical expenses that your plan may not cover: Out-of-pocket expenses until you reach your deductible
- Copayments, coinsurance and prescription drugs
- Dental and vision care expenses not covered by your health plan²
- Long term care premiums

NOTE: Save all your receipts to validate expenses in the event of an IRS audit.

The total amount you can put in an HSA tax-free:

	2020 limits	2021 limits
Single	\$3,500	\$3,600
Family	\$7,100	\$7,200
Catch up (age 55+)	\$1,000	\$1,000

¹ Depends upon your federal tax bracket

² Refer to www.bcbsvt.com/mymoney for a list of HSA-eligible services and products



Meet Jim¹

His annual salary:	\$58,000
His annual HSA contribution:	\$2,600
His taxable income after HSA contribution:	\$55,400
His estimated tax rate ² :	25%
His estimated tax savings:	\$650

When Jim incurs a \$650 health care bill, it actually costs him nothing when factoring in the tax savings.

¹ Hypothetical example for illustration purposes only.

² Assumes Jim pays 25% of his income in State and Federal taxes.

³ The Blue Cross and Blue Shield of Vermont Visa Debit Card is issued by The Bancorp Bank, pursuant to a license from Visa U.S.A. Inc. and can be used for qualified expenses wherever Visa debit cards are accepted.

Select an HSA eligible plan at enrollment

- When your health plan renews, you or your employer will open an account.
- You will receive your Blue Cross and Blue Shield of Vermont Visa Debit card and Spending Account I.D. number by mail.³
- Access your account online to view and manage your account.



Learn more. Talk to a health care spending administration expert.

Your sales representative can provide you with more information.

Need help?

Call Blue Cross and Blue Shield of Vermont at **1-866-999-2605**

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