



# HSA FACT SHEET

HEALTHCARE COOPERATIVE

In 2016, you enrolled in one of our “Health Savings Account” or HSA plans. If you are wondering what it means to buy an HSA plan, this fact sheet can help.

## FACT #1

Health Savings Account eligible health plans are health insurance products with a deductible that is high enough to qualify you for tax-advantaged savings on health expenses. To qualify as an HSA-eligible plan, the health plan cannot provide coverage for services except preventive care before the deductible is met.

## FACT #2

HSA-eligible plans must have at least a \$1,300 deductible for single plans and \$2,600 deductible for family plans in order to qualify. If you receive a Cost Sharing Reduction that lowers the amount of your deductible to anything less than the minimum, your plan will not qualify as an HSA even if it has “HSA” in the title. This is a requirement of the federal tax law.

## FACT #3

Buying an HSA-eligible plan qualifies you to open a tax-preferred savings account at your bank or credit union, but it isn't a requirement. You don't have to open the account, but it can provide you with significant savings.

## FACT #4

Any money you put into your HSA account can be used to pay for deductibles, copays and out-of-pocket healthcare costs. The best part is that the money deposited into an HSA is not taxed at the time of deposit or upon withdrawal as long as you spend it on qualified medical expenses. You can put money into the account after you incur the medical expenses.

## FACT #5

Money deposited into an HSA account at your bank or credit union belongs to you and remains in your account year after year. Any unspent amount rolls over even if you change health plans.

## FACT #6

Money in your HSA account at retirement can still be used tax free for qualified medical expenses. It can even be used for retirement expenses at whatever income tax rate applies to you at that time.

## FACT #7

HSA accounts can save you money if you do not anticipate meeting your deductible and if you are committed to saving just in case the unexpected should occur. Plus, it can give you a head start on retirement. To understand if an HSA is right for you, you can talk to your insurance agent or CGHC Members Services at **877.514.2442**.

Common Ground Healthcare Cooperative does not provide tax advice. If you have questions about your eligibility to open an HSA savings account, please contact the Internal Revenue Service at **800.829.1040** or speak with a tax advisor.

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