



# Health Savings Account (HSA)

Administered by Discovery Benefits/WEX

## HSA CONTRIBUTION LIMITS

Maximum contribution per calendar year; includes both employee and State contributions combined

Employee	\$3,600
Employee + spouse and/or children	\$7,200
Age 55+	An additional \$1,000 can be contributed to the account each calendar year

## STATE CONTRIBUTIONS

Per calendar year for those who qualify and earn their well-being incentive

Employee	\$500
Employee + spouse and/or children	\$500

**IMPORTANT:** You must be covered by a high-deductible health plan (HDHP) to contribute to an HSA. For State employees, this includes the Washington Plan and the Lincoln Plan.

Eligible employees who elect a high-deductible health plan may open a health savings account (HSA): a triple tax-advantaged account you can use for eligible healthcare expenses. Use the savings in your HSA to pay for medical, prescription, dental, and vision expenses as they occur, or keep the funds in your account until you need them later in life.

## HSA ADVANTAGES

- ▶ HSAs offer tax-free contributions, interest, and investment earnings.
- ▶ Set aside your own pre-tax funds and/or enjoy annual contributions from the State when you earn your wellness incentive.
- ▶ Funds roll over from year to year. There is no deadline to use your contributions.
- ▶ HSAs are individually owned and portable. The money is yours to keep, even if you change jobs or retire.
- ▶ You can change your contributions levels at any time.
- ▶ Contributions may be invested for long-term growth.
- ▶ At age 65, or in the event you become disabled, disbursements for non-qualified healthcare expenses may be made without penalty (but will be subject to income tax).
- ▶ Upon death, the HSA becomes the property of a beneficiary you designate.

**Remember: Employees who qualify and earn their well-being incentive will receive \$500 in their HSA!**

**Questions?** To learn more about HSAs, download contribution forms, and get instructions for opening an account, visit [bhr.sd.gov/benefits/active/health-plans/health-savings-account/](http://bhr.sd.gov/benefits/active/health-plans/health-savings-account/).

## ELIGIBILITY

Not everyone can contribute to an HSA. Certain situations make you ineligible, including if ...

- You are covered by another health plan that is not a qualified HDHP.
- You are covered by TRICARE.
- You are a dependent on someone else's tax return.
- You are signed up for any Medicare coverage, including Parts A & B.
- You have a spouse contributing to a medical FSA.

If you have questions about your HSA eligibility, contact Discovery Benefits/WEX at 1-866-451-3399 or consult your tax advisor.