

# Health Saving Account

## WHAT IS A HEALTH SPENDING ACCOUNT (HSA)?

An HSA is a savings account that you can use to help cover qualified health care expenses. To be eligible to contribute to an HSA, you must:

- Be enrolled in a high-deductible health plan
- Not have health coverage except for a high-deductible health plan
- Not be claimed as a dependent on someone's tax return
- Not be enrolled in Medicare
- Not have received Veteran's Affairs benefits in past 3 months

Unlike an FSA, there is no "use it or lose it" rule and it comes with triple-tax benefits:

- Deposits are income tax-free
- Savings grow tax-free
- Withdrawals made for qualified expenses are also income tax-free

For 2026, the IRS maximum HSA contribution limit is \$4,400 if you have individual coverage or \$8,750 if you have family coverage. The IRS also allows catch-up contributions of \$1,000 if you are age 55 or older.

### Your employer contributes to your HSA:

- \$1,000 Employee-Only medical coverage
- \$1,500 Employee + Spouse medical coverage
- \$2,000 Employee + Child(ren) or Family medical coverage

**Please keep in mind the amount you plan to contribute for the year, as your contribution and your employer's contribution together cannot exceed the IRS maximum limit. The HSA provider for 2026 is HealthEquity.**

## HSA TAX BENEFITS

HSAs are the only benefit to offer triple-tax savings:

- Tax-free contributions – You don't pay taxes on the money you put into the account.
- Tax-free account growth – Invest your HSA and any growth is tax-free.
- Tax-free spending – Use HSA funds for HSA-qualified expenses, and you never pay taxes on that money.

## CONTRIBUTIONS FROM YOUR EMPLOYER

If you enroll in the HDP during annual enrollment, your employer will make a one-time cash deposit to your HSA in January. For new employees, these "seed money" contributions are available as soon as possible once your HDP becomes effective.

# Flexible Spending Accounts

## WHAT IS A FLEXIBLE SPENDING ACCOUNT (FSA)?

A Health Care FSA is a way to set aside money from your earnings before taxes are withheld to pay eligible out-of-pocket health care expenses and qualifying dependent daycare expenses.

### Here's how it works:

- Use your HealthEquity Visa Card to pay for eligible healthcare expenses, or submit a claim for reimbursement of eligible expenses from your account
- Expenses must be incurred by Dec. 31
- Expenses must be submitted to HealthEquity by April 30 of the following year to avoid loss of funds
- Your active employee FSA ends the date your employment ends, unless you elect COBRA benefits. If you enroll in COBRA coverage, your FSA will continue.

### There are three types of FSA:

- **General-purpose FSA.** If you enroll in the PPO plan or if you opt out of medical coverage and your comparable coverage is through a traditional plan (non-HDP), you can select the general-purpose FSA.
- **Limited-purpose FSA (LP-FSA).** If you enroll in the HDP with contributions to an HSA, you cannot elect a general-purpose FSA, but you can elect an LP-FSA.
- **Dependent Care FSA.** To help pay for qualifying daycare expenses, you can set aside up to \$7,500 annually (or \$3,750 if filing your taxes separately) in the dependent care FSA in 2026. Remember, Dependent Care FSA funds cannot be used for medical expenses.

**Note: You must elect an FSA every year you intend to participate. The maximum amount you can set aside for 2026 is \$3,300—including general-purpose FSAs and limited-purpose FSAs (LP-FSAs).**

## ROLLOVER FUNDS

The IRS allows employees with a health care FLEX account to roll over up to \$660 of their unused funds to the next plan year.

## MANAGE YOUR ACCOUNTS ONLINE

Visit [healthequity.com](https://healthequity.com) to manage your FSA.