HSA

Health Savings Account

FREQUENTLY ASKED QUESTIONS

WHAT IS AN HSA?

An HSA is a Health Savings Account. It is an investment tool used to save money for medical expenses while reducing your tax liability.

WHO QUALIFIES?

HSA's are available to anyone enrolled in a qualifying high deductible health insurance plan (HDHP).

HOW DOES IT WORK?

An HSA is a medical savings account to be used to pay medical costs such as co-pays, deductibles, and other approved expenses. You are able to contribute an annual amount predetermined by the IRS.

CAN IT BE INVESTED?

Some carriers allow consumers to invest in stocks and mutual funds after their account has reached a certain balance.

DO I NEED TO USE THE BALANCE BY YEAR END?

No. Any balance left at year-end will roll over for you to use the following year.

WHAT HAPPENS TO IT AFTER I TURN 65?

You can roll it over into an IRA or continue to pay your qualified expenses. You can also withdraw the money penalty-free, however at this point it becomes taxable.

QUALIFIED MEDICAL EXPENSES

INCLUDING BUT NOT LIMITED TO:

- Acupuncture
- Artificial Limb
- Artificial Teeth
- Breast Reconstruction Surgery following Mastectomy
- Capital Expense for Special Equipment installed in the Home For the Main Purpose of Medical Care (Ex. Support Bars, Exit Ramps, Lowering Cabinet)
- Car Special Equipment For Disabilities
- Chiropractor
- COBRA Premiums
- Contact Lenses and Supplies
- Eye Exam
- Eyeglasses
- Eye Surgery (including Laser Vision Correction Surgery)
- Dental Treatment
- Dentures
- Orthodontia (Braces)
- Drug Addiction Treatment
- Fertility Procedures
- Health Plan Premiums during a period in which you are receiving government unemployment compensation
- Long Term Care Insurance Premiums
- Medicare Part A, B, C, or D Premiums
- Nursing Home (non-custodial)
- Nursing Services
- Over-the-counter medicines, Supplies, and Equipment
- Prescription Medication
- Psychiatric Care
- Special Education
- Stop-Smoking Programs
- Telephone and Television for Hearing Impaired
- Therapy
- Transportation for Medical Care
- Vasectomy and Sterilization

PINNACLE EMPLOYEE BENEFITS

TAX CONSIDERATION COMPARISONS

	Contributions	Investments	Withdrawals
Traditional IRA	Tax Deductible	Tax Deferred	Taxable
Roth IRA	After Tax	Tax Deferred	Tax Free
401(k)	Pre-Tax	Tax Deferred	Taxable
HSA	Pre-Tax	Tax Deferred	Tax Free

PINNACLE EMPLOYEE BENEFITS

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Disclaimer: The material displayed in this brochure is to help guide our clients to better understand Health Savings Accounts. For any tax related questions, please consult your tax advisor.

HSA CONTRIBUTION LIMITS

Max Annual Contribution Limits

	2024	2025
Individual	$4,150	$4,300
Family	$8,300	$8,550

Minimum Deductible For Qualifying HDHP (High Deductible Health Plan)

	2024	2025
Individual	$1,600	$1,650
Family	$3,200	$3,300

Maximum Annual Out-Of-Pocket Limit

	2024	2025
Individual	$8,050	$8,300
Family	$16,100	$16,600