Health Savings Account Frequently Asked Questions

Q. What is a high-deductible health plan (HDHP)?
A. Essentially, the HSA-qualified high-deductible health plan* is health insurance that does not cover first-dollar medical expenses. The deductible must apply to all medical costs covered by the plan, and the HDHP must have:

- A minimum deductible of
- $1,500** for self-only coverage and
- $3,000** for family coverage.
- A maximum out-of-pocket limit (including deductibles and co-pays) of $7,500** for individuals and
- $15,000** for families.

*Other criteria apply. Check with your insurance provider or tax advisor to ensure that the HDHP is HSA-qualified. **Amounts for 2023. Adjusted annually for inflation.

Q. What happens if I spend my HSA money on non-qualified expenses?
A. HSA funds used for anything other than "qualified medical expenses" are taxable as income and subject to an additional 20% tax penalty. After you turn age 65, or if you become disabled, the 20% additional tax penalty no longer applies. Please consult a tax professional.

Q. What medical expenses qualify?
A. Qualified medical expenses include:

- Most medical care and services
- Prescriptions and over-the-counter drugs, such as aspirin
- Dental and vision costs, even if they are not covered by your insurance plan
- Healthcare coverage during periods of unemployment
- Qualified long-term care insurance

Q. Who can contribute, when, and how much?
A. You or any other person, including an employer or a family member, can make HSA contributions on your behalf by the tax-filing deadline. Money can be deposited into the account each year that you are eligible, up to the amount specified by law. Maximum HSA contribution limits are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Self-Only Coverage</th>
<th>If 55 years or older</th>
<th>Family Coverage</th>
<th>If 55 years or older</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$3,850</td>
<td>$4,850</td>
<td>$7,750</td>
<td>$8,750</td>
</tr>
</tbody>
</table>

Individuals 55 years of age or older can make additional "catch-up" contributions, with $1,000 annual maximums.