

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

- ☐ \$1,700** for self-only coverage and
- ☐ \$3,400** for family coverage.
- ☐ A maximum out-of-pocket limit (including deductibles and co-pays) of \$8,500** for individuals and
- ☐ \$17,000** for families.

*Other criteria apply. Check with your insurance provider or tax advisor to ensure that the HDHP is HSA-qualified. **Amounts for 2026. 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:

	Self-Only Coverage	If 55 years or older	Family Coverage	If 55 years or older
2026	\$4,400	\$5,400	\$8,750	\$9,750

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

Visit the U.S. Department of Treasury at: <http://www.treasury.gov/resource-center/faqs/taxes/Pages/Health-Savings-Accounts.aspx> for more information on the Health Savings Account.