

# Health savings account (HSA)

Bringing balance to your health  
and retirement savings

## What is a health savings account (HSA)?

In simple terms, an HSA is a tax-advantaged account that helps you save and pay for healthcare expenses now and in the future. Your unused money automatically carries over year to year, and the HSA is yours to keep — even if you leave your job or change health plans.

### What can it be used for?

Eligible expenses include things like doctor, dental, and vision exams; copays and deductibles; prescription drugs; and vision and dental expenses.





### How does it work?

- ▶ During enrollment, you must sign up for a high-deductible health plan and then sign up for an HSA.
- ▶ Choose how much money you'd like to have deducted from your paycheck each pay period to put into your HSA.
- ▶ You can use these funds immediately, up to the amount that's been put into your account.
- ▶ When paying for eligible expenses, use your Empower Benefit Accounts card for purchases, or use personal funds and get reimbursed. Save your receipts in case documentation is needed.
- ▶ An HSA through Empower is seamlessly connected to your workplace retirement account so you can easily access and manage your accounts in one place.

### Why should I enroll in an HSA?

You can save on near-term expenses and see long-term benefits from having an HSA as part of your retirement savings plan.

#### Triple tax savings<sup>1</sup>

- ▶ Contributions are made pretax or are tax deductible.
- ▶ Any investment growth is income tax-free.
- ▶ Tax-free withdrawals on qualified medical expenses.

#### You own it

- ▶ No "use it or lose it."
- ▶ Unspent money carries over year after year.
- ▶ Your balance can grow over time.

#### Three ways to use it

- ▶ Pay for qualifying medical expenses today.
- ▶ Pay for qualifying medical expenses in the future.
- ▶ Help build your retirement savings.

# Frequently asked questions

## Who qualifies for an HSA?

You're eligible to open an HSA if you meet the following criteria:

- Covered under an IRS-qualifying high-deductible health plan (HDHP)
- Not covered by any other health plan that is not an HDHP
- Not currently enrolled in Medicare or TRICARE
- May not be claimed as a dependent on another individual's tax return

Please look at [IRS Publication 969 »](#) for additional eligibility information.

## Can I use my HSA to pay for medical expenses for a spouse or dependent?

Yes, you can. You may use your HSA funds without penalty to pay for qualified medical expenses for yourself, your spouse, or eligible dependents — even if they are covered under another health plan. Consult a qualified tax advisor for advice.

## How much can I contribute to my HSA?

The IRS sets annual contribution limits each year. Any contributions from your [employer] count toward the annual HSA contribution limits.

## What is an HSA “catch up” contribution?

If you are 55 or older, you may contribute an extra \$1,000 over the HSA annual limit each year.

## How much should I contribute to my HSA?

This can vary based on your needs. Consider calculating how much you normally spend on health-related expenses in a year, and whether you can afford to set aside a little extra to save for future health expenses or retirement needs. Be aware there is an annual maximum contribution limit.

## Do I lose my money if I don't spend all of my HSA funds in one year?

One of the great benefits of an HSA is there is no use-it-or-lose-it rule. Your unused HSA funds roll over every year and any investment growth continues to be tax-free.

## Can I invest my HSA funds?

Yes, you can choose to invest\* your HSA dollars once you reach your plan's investment minimum amount (investment threshold). Doing so may help you grow your savings tax-free to cover expenses in retirement, including healthcare.

*\*Investing involves risk, including possible loss of principal.*

## Can I adjust or stop my contributions in the middle of the year if needed?

Yes. You can make changes at any time during the year, as long as the change only affects future contributions.

## Are rollover contributions from other HSAs permitted?

Yes, you can roll over funds from another HSA to your Empower HSA. It's a good idea to discuss rolling money from one account to another with a financial advisor to understand fees and/or limitations that may apply.

## What happens to my HSA if I change jobs?

Your HSA is your account and it stays with you, even if you leave your job. You can continue to contribute to and use your HSA including through retirement.

*NOTE: Continuing contributions is dependent on meeting eligibility requirements as defined by the IRS. (For example, you cannot be a dependent on someone else's tax return or enrolled in Medicare.)*

## What happens to my HSA if I die?

- **If you're married** and you've named your spouse as a beneficiary, your spouse will become the owner of the account and will assume it as their own HSA.
- **If you're unmarried**, your account will cease to be an HSA. The funds will either pass to your beneficiaries or become a part of your estate (subject to applicable taxes).

## [Can I enroll in an HSA and a flexible spending account (FSA) or health reimbursement arrangement (HRA)?]

A specific set of criteria determines whether you can enroll in an HSA and an FSA or HRA. Check out [IRS Publication 969 »](#) for details. It's also a good idea to contact your legal or tax advisor to review these situations.]

After you've opened an account, go to  
**[empowermyretirement.com]** to access  
and manage your Empower HSA

<sup>1</sup> Contributions, earnings, and withdrawals are federal income tax-free if used to pay for qualified medical expenses. State income taxes may still apply. HSA funds used for nonqualified medical expenses may be subject to applicable federal and state income taxes and/or penalties.

**Investments are not FDIC insured and may lose value.**

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