



What qualifies?

Examples of some qualified HSA healthcare expenses include:

- Nursing Services
- Dental Treatment, Braces
- Artificial Teeth
- Laboratory Fees
- Chiropractor
- Medications
- Crutches/Wheelchairs
- Eyeglasses and Exams
- Contact Lenses
- Surgical Fees
- Birth Control Pills
- Hospital Services
- Therapy
- X-Rays

Recordkeeping:

You must keep records sufficient to verify that:

- The distributions were exclusively to pay or reimburse qualified medical expenses.
- The qualified medical expenses have not been previously paid or reimbursed from another source.
- The medical expenses have not been taken as an itemized deduction in any year.



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Health Savings Account

- HSA 101
- Why choose an HSA?
- What qualifies?

This brochure is not intended as tax advice.



HSA 101

A Health Savings Account (HSA) is an account which helps you save for qualified medical expenses.

Can I have a Health Savings Account?

Yes, if you have coverage under an HSA qualified High Deductible Health Plan (HDHP), have no other health care coverage except what is permitted, you are not enrolled in Medicare, and cannot be claimed as a dependent on someone else's tax return.

The Health Savings Account will work like any other savings account. The account will earn dividends depending on the balance in the account. You will receive a quarterly statement. You can transfer funds between your HSA and checking account via Home Banking, CLFCU Mobile App, Telephone Banking, and a Member Service Representative.

Funds disbursed from the account for non-qualified withdrawals will be assessed a 10% penalty by the IRS.

There is a \$10.00 fee to open the account.

Free Debit Cards are available for HSAs.

Helpful Resource:
www.hsacenter.com



Why choose an HSA?

What are the Benefits of an HSA?

- You can claim a tax deduction for contributions that you (or someone other than your employer) make to your HSA, even if you do not itemize your deductions on IRS Form 1040.
- Contributions to your HSA made by your employer (including contributions made through a cafeteria plan) may be excluded from your gross income.
- The contributions remain in your account from year to year until you use them.
- Distributions may be tax free if you pay for qualified medical expenses (see IRS explanation of qualified medical expenses).
- The interest or other earnings on the assets in the account are tax free.
- An HSA is “portable” so it stays with you if you change employers or leave the work force.
- Insurance premiums are usually lower with a high-deductible plan vs a low-deductible insurance plan.
- Unlike Flexible Spending Accounts, HSAs do not have a “use it or lose it” requirement.

The following table shows the maximum contribution and maximum annual deductible and other out-of-pocket expenses for HDHPs as of 2024.

Coverage Types

Self-Only
Family

Maximum Contribution Amount*

Self-Only	\$4,150
Family	\$8,300

**For members 55 & over, add \$1,000 for HSA catch-up contributions.*

Maximum Annual Out-Of-Pocket Expenses*

Self-Only	\$7,500
Family	\$15,000

**This limit does not apply to deductible and expenses for out of network services if the plan uses a network provider.*

Minimum Deductible Amount for HSA-Compatible HDHPs

Self-Only	\$1,500
Family	\$3,000