

# An introduction to The HSA for Life®



## The HSA for Life

A Health Savings Account (HSA) is a tax-advantaged personal health care account that works with an HSA-qualified health plan. You can contribute funds into an HSA on a pre-tax basis to save for current and future medical expenses – putting you in charge of how you spend your health care dollars.



## How it works

### Save it.

An HSA allows you to start saving for health expenses by contributing funds tax-free. There are three ways you can save:

| Triple Tax Advantage <sup>2</sup> |   |  |
|-----------------------------------|---|--|
| 1 Pre-tax contributions           | 2 Tax-free interest and investment earnings | 3 Tax-free payments for qualified medical expenses |

*Note: The money you save into an HSA is exempt from Federal income tax and State income taxes (in most states), and even earns interest.*

### Use it.

As you save money into your HSA, you can use your Visa® debit card<sup>3</sup> to pay for things like prescriptions, deductibles, eye exams and flu shots – as long as it's a qualified health care expense.

### Never lose it.

Unused funds roll over from year to year, and unlike an FSA, there are no “use-it-or-lose-it” rules. So if you change jobs, change health care plans or retire it doesn't matter, it's yours...for life!



Get a complete list of qualified health care expenses online at [saveituseit.com](http://saveituseit.com).

## HSA contribution limits

|                        | 2018    | 2019    |
|------------------------|---------|---------|
| Single coverage        | \$3,450 | \$3,500 |
| Family coverage        | \$6,900 | \$7,000 |
| Catch-up contribution* | \$1,000 | \$1,000 |

\*Starting at age 55



Download the MyHealth mobile app<sup>4</sup>

It's your health account on the go.



## Visit our Learn Center

Find tools and resources to help you manage your health care spending. [healthaccounts.bankofamerica.com](http://healthaccounts.bankofamerica.com)



## We're here to help

If you have questions, just give us a call.

800.992.3200

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## Getting started with an HSA



Ideas for setting a savings goal:

1. Contribute the maximum allowed by the IRS.
2. Save the difference in your medical insurance premium. Costs can vary by different companies, but an example could be:

**If a traditional plan premium is \$450 per month and the HDHP premium is \$150, save the \$300 difference into your HSA.<sup>5</sup>**

3. Save enough to pay your plan deductible. For example, if your HDHP deductible is \$2,100, contribute \$175 per month to reach your plan deductible amount in one year.

## Paying with your HSA is easy! You can...



Pay with your HSA debit card at the time of purchase, or when your provider sends a bill.



Reimburse yourself online from purchases you've already made.



Pay a provider directly on the member website.

### Save your receipts!

The IRS may request validation of any HSA withdrawals you have made.

## See how the savings can add up!

If Amy saved \$150 each month into her HSA, her account might look like this:<sup>6</sup>



$\$150 \times 12 \text{ months} = \$1,800 \times 5 \text{ years} = \$9,000$

|                 |          |
|-----------------|----------|
| 5 year savings  | \$9,000  |
| 10 year savings | \$18,000 |
| 15 year savings | \$27,000 |

*This example does not take into account interest earned on balances in your Cash Account or interest earning potential in an HSA Investment Account.*

### Did you know?

You can also invest the money you save in an HSA. Pick up the "Maximizing The HSA for Life®" handout for more information.

1 "Never Lose it" refers to account portability and annual rollover of accumulated assets; it does not imply you cannot lose money. The investment portion of the HSA account is not FDIC insured, not bank guaranteed and may lose value. 2 About Tax Benefits: You can receive tax-free distributions from your HSA to pay or be reimbursed for qualified medical expenses you incur after you establish the HSA. If you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% tax. Any interest or earnings on the assets in the account are tax-free. You may be able to claim a tax deduction for contributions you, or someone other than your employer, make to your HSA. Certain limits may apply to employees who are considered highly compensated key employees. Bank of America recommends you contact qualified tax or legal counsel before establishing an HSA. 3 This HSA debit card program is issued by Bank of America, N.A. Visa is a registered trademark of Visa International Service Association, and is used by the issuer pursuant to license from Visa U.S.A. Inc. 4 Data connection required. Wireless carrier fees may apply. Mobile app not available on all devices. App Store<sup>SM</sup> is a service mark of Apple Inc. Google Play<sup>TM</sup> store is a registered trademark of Google, Inc. 5 Check your individual plan premium for actual monthly costs. 6 Case studies are examples meant for informational purposes only and may not be real customers. Please consult your tax or legal advisor regarding specific use of health savings accounts. Investments can lose money. Neither Bank of America nor any of its affiliates provide legal, tax, or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions. ©2018 Bank of America Corporation. All rights reserved. | ARXTVWHX | 06/2018 | 00-09-1659NSB