

# Get more value from your healthcare dollars with a Health Savings Account

Enroll in a Health Savings  
Account (HSA) and start  
saving today.

## How does an HSA work?

An HSA is a personal savings account that allows you to set aside pre-tax dollars for current and future healthcare expenses for you and your dependents, even if they are not covered under your primary health plan.

You are eligible to contribute to an HSA if you (1) are enrolled in a High Deductible Health Plan (HDHP); (2) are not covered by Medicare or other disqualifying coverage; (3) cannot be claimed as a dependent on another taxpayer's federal income tax return. Other disqualifying coverage can include another group health plan, including a spouse's medical plan, Health FSA or HRA, or any other health plan that provides coverage before the minimum HSA deductible is met. You choose an annual election amount, up to the IRS limit for individuals and families. The money is placed in your account via payroll deduction, direct contribution (through a bank transfer), or transferred from another HSA. Once your account is funded, you can choose to use the money to pay for current healthcare expenses or keep the funds in your account and watch your savings grow.

If you are 55 or over, you have the option for an annual catch-up contribution up to the IRS limit.

## Why should I enroll in an HSA?

High-deductible health plans typically have lower monthly premiums and greater out-of-pocket costs. An HSA helps ensure you have money set aside to pay for out-of-pocket healthcare expenses.

But an HSA is also a powerful investment vehicle and can be a smart addition to your retirement strategy. What makes an HSA such a great retirement investment tool? Simply put, money goes into an HSA tax-free, grows tax-free, and comes out tax free. That means you will never be taxed when you use HSA dollars for qualified medical expenses. No other investment account offers this benefit!

Over 25 years, your potential savings for retirement are:

Annual contribution	Tax savings	Balance at retirement
\$600	\$4050	\$30,668
\$2400	\$16,200	\$122,672
\$3550	\$23,975	\$181,453
\$7100	\$47,925	\$362,906

## How do I use my HSA to pay for healthcare expenses?

You can use your Pre-tax Forma Card to pay your providers for eligible healthcare expenses, or pay out-of-pocket and withdraw funds from your HSA to reimburse yourself for the expenses.

## Qualifying expenses

HSA funds can cover costs for:

- + Copays, deductible payments, coinsurance
- + Doctor office visits, exams, lab work, x-rays
- + Dental exams, x-rays, fillings, crowns, orthodontia
- + Vision exams, frames, contact lenses, contact lens solution, laser vision correction
- + Medical supplies and first aid kits
- + Over-the-counter medications
- + Prescription drugs
- + Physical therapy
- + Chiropractic care
- + COBRA premiums
- + Hospital charges

## What doesn't qualify

Certain expenses are not eligible, for instance:

- Cosmetic procedures or surgery
- Dental products for general health
- Expenses incurred prior to opening your HSA
- Personal hygiene products

# Health Savings Account

## Helpful hints:

- + You must have funds in your HSA before you can spend them.
- + You can change your election amount at any time during the plan year.
- + You own the HSA, which means the money in the account is yours to keep and stays with you, even if you change medical plans or leave your employer.
- + Remember, withdrawals for qualified healthcare expenses are never taxable.
- + Be a savvy HSA consumer and ask about the cost of procedures and provider visits to ensure you are getting the best care at the best price.
- + Save your receipts because the IRS may audit your HSA transactions.
- + Unused funds roll over year to year. You will also have the option to invest your funds and accelerate your account savings without any investment threshold.
- + While your HSA funds are intended for healthcare expenses, once you reach 65 you have the option to use your account for any purpose, without penalty. You'll just owe income taxes on withdrawals for non-qualified expenses.
- + Easily manage your HSA through your Forma account online or with the Forma app

## Have questions?

Check out our [FAQ page](#) where you can find more information and details about your benefits, account, and eligibility. Or email [support@joinforma.com](mailto:support@joinforma.com) for other questions.

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