



WHAT IS A HEALTH SAVINGS ACCOUNT (HSA)?

A Health Savings Account (HSA) is a tax-advantaged account used to pay qualified medical expenses for the account holder and their dependents.

WHO IS ELIGIBLE?

The IRS mandates that HSA's can only be used with a qualified high-deductible health plan; therefore, only those who are enrolled in a high-deductible health plan can enroll in an HSA. To be eligible, an individual must meet all of the following requirements.

- Covered under a high deductible health plan (HDHP).
- Not enrolled in Medicare.
- Not able to be claimed as a dependent on another person's tax return.
- Not contributing to an FSA. You can only contribute to an FSA or an HSA, not both.

HOW IS A HSA FUNDED?

- You can contribute to an HSA through pre-tax payroll contributions.
- HSA's may also be funded through a tax-free rollover from another HSA or medical savings account.

HSA INVESTMENT OPTIONS

A key advantage of the HSA is that it allows you to build your account for future medical expenses. You maintain ownership of the account, even if you retire or change employers. Money accumulates tax-free in the account and remains tax-free if it is used to pay for eligible medical expenses. Investment criteria and information will be included in the packet you receive from UMB Bank.

LIMITS TO HSA CONTRIBUTIONS

There is no minimum amount that must be contributed. However, the IRS does set maximum dollar amounts that can be put into an HSA. This amount is subject to change each year: for 2025, the government-imposed maximum contributions are \$4,300 for individuals and \$8,550 for families.

Anyone over the age of 55 or who will be 55 before the end of the year may contribute extra money, or "catch-up" contributions. The maximum catch-up contribution is \$1,000 for 2025.