

Health Savings Account

Health savings accounts (HSAs) are a great way to save money and budget for qualified medical expenses. HSAs are tax-advantaged savings accounts that accompany high deductible health plans (HDHPs). HDHPs offer lower monthly premiums in exchange for a higher deductible (the amount you pay before insurance kicks in).

WHAT ARE THE BENEFITS OF AN HSA?

There are many benefits of using an HSA, including the following:

- **It saves you money.** HDHPs have lower monthly premiums, meaning less money is being taken out of your paycheck.
- **It is portable.** The money in your HSA is carried over from year to year and is yours to keep, even if you leave the district.
- **It is a tax-saver** HSA contributions are made with pre-tax dollars. Since your taxable income is decreased by your contributions, you'll pay less in taxes.
- **SACS Contributes \$961.80** for single coverage and **\$2,290.05** for family coverage.

The maximum amount that you can contribute to an HSA in 2021, is **\$3,600 for individual coverage and \$7,200 for family coverage. This includes the SACS contribution.**

Additionally, if you are age 55 or older, you may make an additional “catch-up” contribution of \$1,000. You may change your contribution amount at any time throughout the year as long as you don't exceed the annual maximum. **If you are on Medicare, you are not eligible for an H.S.A/HDHP plan.**

HSA CASE STUDY

Justin is a healthy 28-year-old single man who contributes \$1,000 each year to his HSA. His plan's annual deductible is \$3,000 for individual coverage. Here is a look at the first two years of Justin's HSA plan, assuming the use of in-network providers. (This example only includes HSA contribution amounts and does not reflect any investment earnings.)

Year 1		Year 2	
HSA Balance	\$1,000	HSA Balance	\$1,850
Total Expenses:		Total Expenses:	
Prescription drugs: \$150		Office visits: \$100	
	(-\$150)	Prescription drugs: \$200	(-\$300)
		Preventive care services: \$0 (covered)	
HSA Rollover to Year 2	\$850	HSA Rollover to Year 3	\$1,550
Since Justin did not spend all of his HSA dollars, he did not need to pay any additional amounts out-of-pocket		Once again, since Justin did not spend all of his HSA dollars, he did not need to pay any additional amounts out-of-	