Navigating Health Savings: Your HSA Guide

Health savings accounts (HSAs) have surged in popularity over the years. You may have encountered them, possibly as part of the benefits offered by your workplace. This memo attempts to answer frequently asked questions about HSAs.

What is an HSA?
An HSA is a type of specialized savings account where you can deposit pre-tax funds to pay for approved medical costs.

Who is eligible for an HSA?
Enrollment in a qualified high-deductible health plan (HDHP) is required for opening an HSA.

What are HSAs' triple-tax benefits?
1. All contributions are tax-deferred and could be future tax-free (see #3).
2. Investment opportunities exist for contributions, providing tax-free growth (see #3).
3. When withdrawals are made for approved medical costs, they are tax-free.

What happens to my HSA if I switch employers?
HSAs are completely transferable, so you may take them with you when you potentially change jobs.

Do HSA funds expire at year-end?
No. You have the option to invest the remaining amount or let it roll over and accumulate annually.

What expenses can I cover with my HSA?
Those that are classified as "covered charges" by your insurance plan—including ones that your health insurance does not cover because of co-pays, deductibles, or coinsurance—may be paid with HSA funds.

Talk with your Human Resources department to find out if your Company offers an HSA option.

For more information contact MCF at **retire@mcfadvisors.com** or 859.967.0990

IMPORTANT DISCLOSURE INFORMATION