

# Making the most of your health savings account (HSA)

Optum Financial webinar



# Agenda

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What is an HSA

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HSA eligibility

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HSA basics

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Use an HSA for future planning

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Account access

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# What is an HSA?

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Health savings accounts (HSAs) are individually owned savings accounts that offer a tax-advantaged way to save and pay for qualified medical expenses.



**Requires a qualifying high-deductible health plan**

(Kaiser and Sutter HDHP with HSA)



**Annual contribution limits are set by the IRS — triple tax savings**



**Funded by the account holder**



**Balances can be carried over from year to year**  
Option to invest a portion of the HSA once it meets a minimum threshold

Integration with the **#1-rated mobile app**



# HSA Eligibility

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## IRS REQUIREMENTS

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- ✓ You must be covered under a qualifying high-deductible health plan (**Kaiser or Sutter HDHP with HSA**)
- ✓ You have no other health coverage except what is permitted by the IRS
- ✓ You are not enrolled in Medicare, TRICARE or TRICARE for Life
- ✓ You haven't received Veterans Affairs (VA) benefits within the past three months, except for preventive care  
If you have a disability rating from the VA, this exclusion doesn't apply
- ✓ You can't be claimed as a dependent on someone else's tax return
- ✓ You do not have a health care flexible spending account (FSA) or health reimbursement account (HRA)  
Alternative plan designs, such as a limited-purpose FSA or HRA, might be permitted

# What You Need to Know About an HSA

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Deposits are exempt from income tax (*exceptions exist for the state of CA*)



Savings grow income tax-free



Money spent on qualified medical expenses comes out of your HSA income tax-free

Use the QME Tool on  
optumbank.com to  
see if your specific  
expense qualifies for  
reimbursement

Examples of qualified expenses - more than just deductibles and copays-

- ✓Chiropractic
- ✓Dental treatment
- ✓Eyeglasses

Examples of non-qualified expenses:

- ✗Cosmetic surgery
- ✗Electrolysis or hair removal
- ✗Teeth whitening



# Qualified medical expenses

## The IRS determines the list of qualified medical expenses

- Acupuncture
- Alcohol/drug addiction treatment
- Dental treatment
- Doctor's visits
- Eye exams, glasses or contacts
- Hearing aids and batteries
- Over-the-counter medications and feminine products
- Medical tests and devices
- Operations/surgeries (non-cosmetic)
- Nursing services
- Physical therapy
- Psychiatric care
- Smoking cessation
- Personal Protective Equipment (PPE)



Easily save your receipts with *receipt vault*



IRS.gov or optumbank.com



Check out the **Optum Bank QME Search Tool** on optumbank.com!

HSA funds used for purposes other than to pay for qualified medical expenses are:  
Taxable as income AND  
\*Subject to 20% penalty tax!



\* 20% tax penalty does not apply to account holders age 65 and older, those who become disabled or enroll in Medicare. Speak with your tax advisor to learn more.

# Contribution Limits

## Amount of Contribution

The IRS determines how much you can deposit into your HSA each year, and limits are determined on a calendar/tax-year basis.

## Contribution Rules

	2021	2022
Individual coverage	\$3,600	\$3,650
Family coverage	\$7,200	\$7,300

*IRS rules state that contribution limits must generally be prorated by the number of months you are eligible to contribute to an HSA. Your eligibility is based on your coverage status on the first day of the month.*

## Additional Contribution

Those 55 years of age or older, but not yet enrolled in Medicare, can fund an additional **\$1,000/year** “catch-up” contribution.

Spouses can make a separate \$1,000 catch-up contribution to an account in their own name.

Consider redirecting any cost savings between the HMO plan and HDHP plan to your HSA



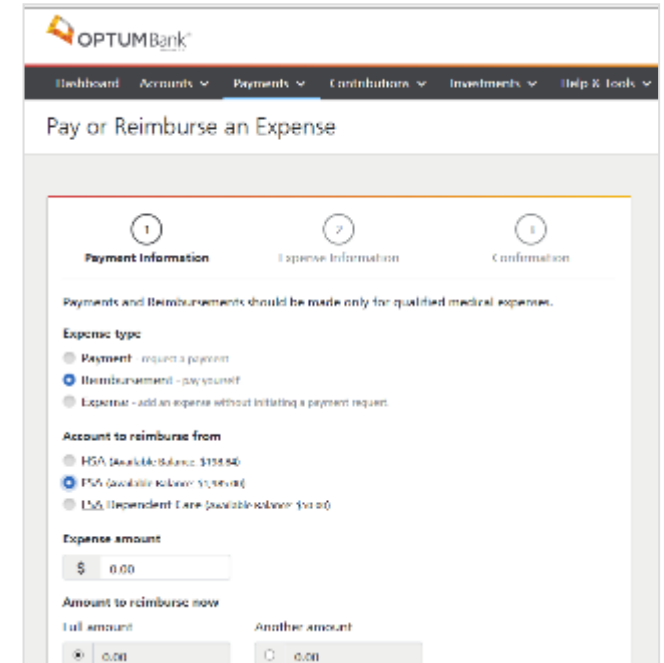
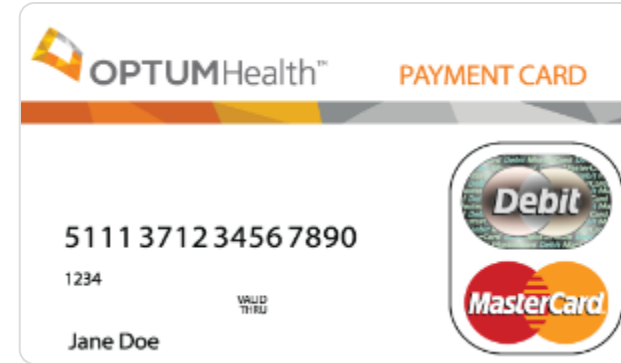
# Access your HSA funds

Use your Optum Bank® Health Savings Account Debit MasterCard®

Sign up for automatic bill pay and online banking

Use HSA checks for this account

Pay for an expense with personal funds and reimburse yourself from your HSA

A screenshot of the OptumBank online banking interface for "Pay or Reimburse an Expense". The page has a navigation bar with "Dashboard", "Accounts", "Payments", "Contributions", "Investments", and "Help & Tools". The main content area is titled "Pay or Reimburse an Expense" and includes a progress indicator with three steps: "1 Payment Information", "2 Expense Information", and "3 Confirmation". Below the progress indicator, there is a note: "Payments and Reimbursements should be made only for qualified medical expenses." The form includes sections for "Expense type" with radio buttons for "Payment - request a payment", "Reimbursement - pay yourself" (which is selected), and "Expense - add an expense without initiating a payment request". The "Account to reimburse from" section has radio buttons for "HSA (available balance: \$158.56)", "FSA (available balance: \$1,000.00)" (which is selected), and "ESA (dependent care) (available balance: \$0.00)". The "Expense amount" field is set to "\$ 0.00". The "Amount to reimburse now" section has two input fields: "Full amount" and "Another amount", both set to "0.00".



Health care expenses  
are one of the biggest  
financial worries  
in retirement.



# Invest in your HSA

TWO  
WAYS  
TO  
INVEST

1

## Digitally managed investments

Online financial advice driven by artificial intelligence and algorithms that provides automated investment opportunities. Based on your goals, we make it easy to invest your funds now and into retirement.

2

## Mutual funds

Optum Bank has a diverse set of mutual funds,\* including:

- Vanguard funds
- Target date funds
- Lifestyle funds

Mutual funds average a four-star Morningstar rating, and represent some of the lowest expense ratios in the industry.

## The optimal way to save for retirement

With an HSA, withdrawals for qualified medical expenses are income tax free.\*\* This is a key way in which an HSA can be superior to a traditional 401(k) or IRA as a retirement savings vehicle. Once you begin to withdraw funds from a 401(k) or an IRA plan, you pay income tax on that money, regardless of how the funds are being used.

Investments are not FDIC insured, are not guaranteed by Optum Bank®, and may lose value.

*For most employers, account holders can choose to start investing once they reach an HSA balance of \$2,000.*



\*The bank makes mutual funds available through a Registered Investment Adviser.

\*\*Federal income tax free. Some states impose taxes.

# Grow your savings

Your contributions add up



Meet Mark. He contributes **\$150** a month to his HSA.  
In 25 years, he will have saved **\$45,000\***.



\* Hypothetical example is for illustrative purposes only and assumes a 25% federal tax bracket and a 5% state tax bracket in a state that does not tax HSA contributions, distributions or growth. Example assumes no withdrawals from the account.

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# Health Savings Checkup

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**Did you know** a couple retiring today may need **\$295,000** to cover medical expenses in retirement?

Prepare now with an HSA

Visit [healthsavingscheckup.com](https://healthsavingscheckup.com) today!



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Your potential health care costs



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Personalized Action Plan



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Save for and lower future health care costs





# Access your HSA on optumbank.com

ACCOUNT HOLDER PROVIDER EMPLOYER CONTACT OPTUM BANK MOBILE BANKING TO OPTUM.COM OPEN AN HSA SIGN IN

OPTUMBank

Search

Health accounts ▾ Investments ▾ Resources ▾ Customer Support ▾ Partners ▾ Optum Store

## Welcome to Optum Bank

Optum Bank, a part of Optum Financial, is connecting health and finances in unprecedented ways.

[Sign in](#)

[New user? Register for online access >](#)

### 2020 TAX FILING & PAYMENT AND HSA CONTRIBUTION DEADLINES EXTENDED

The federal income tax filing and payments deadline has been extended from April 15, 2021, to May 17, 2021. The amount of time that individuals have to make 2020 health savings account (HSA) contributions has also been extended to May 17. The 2020 tax forms that you may need for your health savings account (HSA) are now available online. Visit our [tax center](#) to learn more.

[Learn more](#)

**New User?**  
Step 1: Log onto: [optumbank.com](https://optumbank.com)  
Step 2: Click on “[register for site](#)”  
Step 3: Enter **SSN, DOB, last name** and **Optum card number**

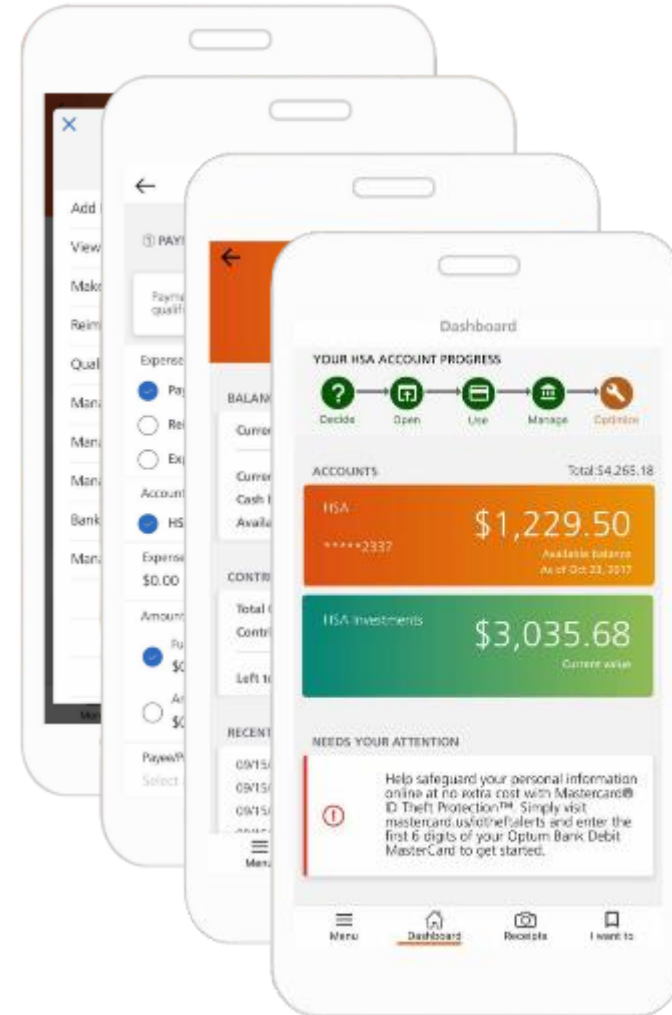


# Download the Optum Bank Mobile App

Access your Optum Bank account on the go, easily with the **Optum Bank mobile app!**

Look for it in the app store under **“Optum Bank”**.

**Remember!** You can upload receipts via the Mobile app.



# How to get Started

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**Choose the Kaiser or Sutter HDHP with HSA option during open enrollment** and the county will automatically open an HSA account on your behalf



You will receive your **HSA welcome kit and Optum Bank debit Mastercard®** shortly after opening your HSA



Activate your account online at **optumbank.com**



**Download the Optum Bank app** to conveniently manage your HSA



# What if you have more questions?

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Call Optum Bank customer  
service (844) 326-7967

Visit [optumbank.com](https://optumbank.com)

Talk to your employer

