Things to know about your HSA

It offers the best tax advantages

Money deposited in your HSA can earn interest and is not taxable if used only for qualified medical expenses and premiums for certain insurance coverages, such as long-term care, Medicare and COBRA medical while unemployed. You won't pay federal income taxes for all contributions or Social Security and Medicare payroll taxes. You could be subject to state taxes in some parts of the country.

It's real money that's always yours

Your employer has no say about the usage of the dollars in your fund. Any money in your HSA will be yours even if you leave the company that offered you the initial HSA.

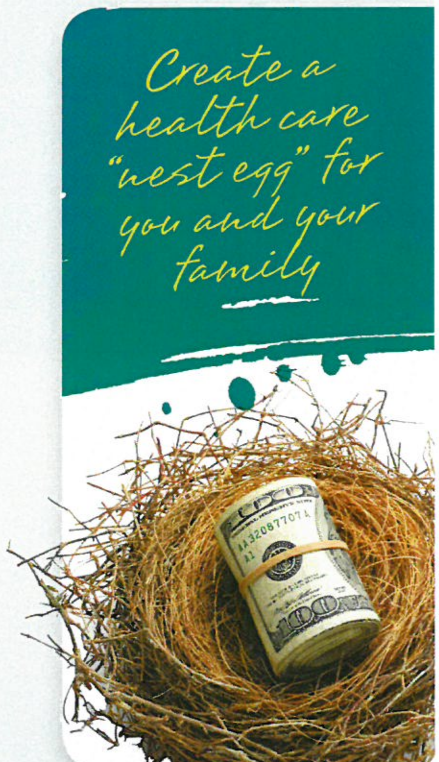
Use your HSA debit card, if you want, at the pharmacy

You should first present your medical ID card to the pharmacist to purchase a prescription. Your pharmacy benefits manager will discount the drug and may pay a portion of the claim. You may then use your HSA debit card or checkbook to pay the remaining balance.

Don't use your HSA debit card for initial payment at the hospital or doctor's office

Wait for your claim to be submitted so discounts can be applied. Once you receive your explanation of benefits (EOB) and bill from the doctor, you can then make your payment.

– more –



UMR

A UnitedHealthcare Company

Consider saving your HSA dollars for retirement medical expenses

If you can afford it, you might want to treat your HSA like a 401(k) or IRA. You may then build up much more money for medical expenses after you retire.

Spend your HSA dollars only on qualified medical expenses

If you do so, you will never have to worry about paying penalties or having your HSA funds taxed. It's also a good idea to save your receipts in case you are audited.

Try to avoid spending HSA dollars on non-medical expenses

You will have to pay taxes on any HSA money spent on non-medical purchases. You will also be subject to an additional 20 percent penalty if you are under the age of 65.

Remember the importance of a qualified high deductible health plan (QHDHP)

You are only allowed to contribute to your HSA when you are enrolled in a QHDHP. If you ever leave your current employer, you will need to enroll in another QHDHP to continue to contribute to your HSA.

UMR

A UnitedHealthcare Company