

A Brief Overview of HSA Accounts

A Health Savings Account (HSA) is a tax-advantaged account paired with a High Deductible Health Plan (HDHP), allowing an employee to pay for medical expenses with tax-free dollars.

Key Benefits for Employees

- Triple tax advantage (pre-tax contributions, tax-free growth, tax-free withdrawals)
- Lower monthly premiums
- Funds roll over year to year
- Account stays with you if you change jobs

Key Benefits for Employers

- Lower payroll taxes (FICA savings)
- Lower overall healthcare costs
- Flexible contribution options
- Competitive employee benefit

Examples of Eligible Expenses

- Doctor visits, prescriptions, deductibles
- Dental and vision care
- Bandages, sunscreen, OTC medications
- Mental health services and preventive care

Examples of Ineligible Expenses

- Cosmetic procedures (Botox, facelifts)
- Gym memberships or fitness classes
- Vitamins for general health
- Personal care items (toothpaste, shampoo)