Health Savings Account (HSA)

Administered by PayFlex

If you enroll in the Saint Peter's High Deductible Health Plan (HDHP), you will have access to the HSA—a tax-advantaged savings account that's partially funded by Saint Peter's Healthcare System. Funds are deposited, grow and are available all tax-free—and if you leave Saint Peter's Healthcare System, the account goes with you! Only participants in the HDHP medical plan can open this account and receive company funding. You own the account, and the money can be used today or for future expenses— even in retirement.

Saint Peter's HSA Annual Contribution	Annual Tax Savings
Individual	$500
Employee + Spouse **Employee + Child** **Family**	$1,000

Here are some key features of the HSA:

- All money in the account is tax-free
- Saint Peter's Healthcare System contributes to the HSA to help cover your out-of- pocket medical expenses—$500 / Individual and $1,000 Family contribution.
- You can also make your own contributions. The funding is yours to keep in your HSA until you need it. The maximum you can contribute after the St. Peter's contribution is $3,150 for a Single Plan and $6,300 for a Family Plan.
- 2022 IRS annual maximum contribution limit of is $3,650 for individual coverage and $7,300 for family coverage. If you are age 55+, you have an additional $1,000 each year in catch-up contributions.

How to Use Your Health Savings Account

The HSA can be used to pay for qualified health expenses for you, your spouse and your eligible dependent children or any other tax-qualified dependent that you support, such as an elder parent. Here are some examples of how the funds can be used:

- Deductibles and coinsurance
- Pharmacy copays once you have met your deductible, including some over-the-counter medications
- Vision and Dental out of pocket plan costs

Save, Grow, Spend
The HSA offers triple tax advantages:

- Money goes in tax free
- Money can be invested and grow tax free
- Money comes out tax free when you use it for healthcare expenses

Plus, you can roll over the balance from year to year. It's your money to keep, grow and spend as needed.

The power of tax-free savings
Experts say the average couple will need $300,000 for out-of- pocket medical expenses in retirement. The HSA can help you prepare for future healthcare costs. While an HSA can only be used for qualified healthcare costs, it is similar to a 401(k) in that before-tax contributions reduce your taxable income. 401(k) contributions are taxed when you withdraw them, but HSA contributions are tax-free when used for qualified medical expenses. Here's how much health savings you can accumulate with an HSA if you start at age 40, contribute to age 64, and do not make any withdrawals prior to age 65.*

Example:

Annual HSA Contribution	Annual Tax Savings
$900 (Individual)	$252
$1,800 (Employee+Spouse)	$504
$1,800 (Employee+Child)	$504
$2,400 (Family)	$672

HSA Balance at 65	Total Tax Savings at 65
$71,100	$26,400
$142,200	$39,800
$189,600	$52,800

**Assuming individual retires at 65 and lives to 85, and 8% return on investment each year (the company makes no promise about investment fund performance). This example shows the benefits of starting early—but it's never too late to start saving!*