

Health Savings Account

If you are enrolled in one of our **High Deductible (HDHP) Plan Options** and have elected a Health Savings Account (HSA) through **Paylocity**, your contributions are tax-exempt, meaning you save on both FICA and Federal taxes when contributing through payroll. Your HSA funds can be used to pay for unreimbursed medical, dental or vision expenses for you and your dependents, whether or not they are covered by your health plan. You can even use funds to pay for COBRA, long-term care, and Medicare (but not Medigap) premiums. Your HSA works like a personal bank account – no 'use-it or lose-it' rule. Funds remain in your account until needed, even if you change jobs or retire.

Did you know? The company matches up to \$600 of your HSA contributions!

To empower you with greater control over your healthcare expenses and provide a pathway for future financial security, our High Deductible Health Plan (HDHP) is accompanied by a Health Savings Account (HSA). The HSA serves as a valuable tool for you to save for various healthcare needs, and we will generously match your HSA contributions, dollar-for-dollar, **up to \$600 per year**, or \$50 per month.

Who is eligible to open and fund an HSA?

Anyone who is:

- covered by a qualified HDHP; and
- not covered under another medical plan that is not a qualified HDHP – including Medicare, Medicaid, TriCare, VA and/or a Health Care Flexible Spending Account (FSA), including a spouse's FSA.

How much can I contribute to an HSA? The IRS sets a contribution limit every calendar year.

For 2026, the contribution limits are:

- \$4,400 for Individual Coverage – just you on the plan
- \$8,750 for Family Coverage – you and any number of dependents
- *This limit includes both what you contribute and any contributions made by your employer.*

If you're age 55 or older, you can contribute up to \$1,000 more than the limits listed here

What if I establish an HSA mid-year? Your HSA contributions are generally determined on a monthly basis. If you establish an HSA mid-year, you're allowed to make the full year's contribution, provided you are eligible on December 1 of that year and you remain eligible to make HSA contributions throughout the next calendar year.

How do I make contributions to my HSA? You can contribute to your HSA through payroll deductions.

Where can I find a list of qualified expenses? Refer to the list found at [irs.gov](https://www.irs.gov) – search Publication 502.

When can I start using the funds in my HSA?

You can use the funds in your HSA once they are available. You can reimburse yourself for qualified HDHP expenses months or even years later if you retained receipts and your HSA was established when the expense occurred.

Can I use my HSA to pay for non-qualified expenses? Non-qualified expense withdrawals are subject to income tax and a 20% penalty until age 65. After age 65, non-qualified expense withdrawals are penalty-free, but remain subject to income tax.

What happens to my HSA if I leave my employer? The HSA is yours to keep. If you continue to meet the eligibility criteria for funding the account, you can continue making contributions to your HSA. If you are no longer eligible to fund the account, you're still eligible to spend the money (tax-free) on qualified expenses.

Can I use the money in my HSA to pay for my dependents' health care expenses? You can use the money in your HSA to pay for the health care expenses belonging to your eligible spouse and/or dependent children – even if they are not covered as your dependents. Refer to Internal Revenue Code Section 152 to determine if your spouse and/or child is an eligible dependent.

Can couples establish a "joint" HSA and both make contributions, including "catch-up" Contributions? "Joint" HSAs are not permitted. Each spouse should consider establishing an HSA in his or her own name. This allows you to both make catch-up contributions when you are age 55 or older.

WELCOME TO YOUR NEW HSA!

The purpose of this letter is to welcome you, and to provide you with an overview of the benefits you'll receive as a Paylocity Health Savings Account account holder. WEX Health Inc is the custodian of the Paylocity HSA and investment accounts. Our experience and focus on excellent administration and customer services processes, along with our trusted partners and great technology, help to bring you these benefits:

- Convenient access to your HSA via a user-friendly portal to manage online election change and expense tracking
- Integrated investment portal, meaning only one username and password to remember
- Choice of multiple recognized mutual funds in several investment categories
- Automatic transfers between cash and investment accounts so your funds are always available and you don't need to remember to move funds between accounts
- Easy access to your funds with debit card and direct deposit online distributions
- Paperless administration and online Account Summary Reports

HOW TO USE YOUR ACCOUNT FUNDS:

Debit Card: You may use your Paylocity Benefit Card to access HSA funds to pay for eligible medical expenses. This debit card can be used at any healthcare eligible merchant that complies with IIAS for healthcare related items. Using your Card helps you keep cash in your wallet and makes paying for qualified healthcare expenses with your HSA funds easy.



Mobile: Conveniently manage your healthcare information anywhere, anytime with the Paylocity Benefit Account Mobile App. The mobile app makes it easy for you to check account balances, submit claims, and more, on-the-go. Rest easy knowing no sensitive account information is ever stored on the device and secure encryption is used to protect all transmissions.

For additional questions, please contact the Paylocity Customer Service Team at (800) 631-FLEX or BATHSAoperations@paylocity.com.

Wishing you good health and well-being!

REQUIRED NEXT STEPS

Please reference the following instructions to setup your HSA Account:

1. Your **Paylocity Benefit Card** will arrive (in a separate mailing) in about 7-10 business days. *If you already have a TPA service with Paylocity, you will not receive a new card.*
2. **To finish setting up your HSA, you must log into the Self Service Portal.**

Once logged into the Self Service Portal:

1. Click on Spending Accounts.
2. Read and Accept the Custodial Agreement, Electronic Disclosure, and Patriot Act Requirements.
3. Click on the Account Settings Tab at the top of the screen.
 - a. Enter Beneficiary information.
 - b. Review/add Dependent(s).
 - c. Enter personal bank account information for Online Account Transfers.
 - i. Primary method of payment is Debit Card.
 - ii. Alternate Method of Payment will be the bank account identified as your Main Account.
4. Access HSA Forms in the Self Service Portal
 - a. Click Spending Accounts.
 - b. Select Knowledge Base from the Help drop down menu.
 - c. Search HSA Resources for Paylocity Flex Services.