



HEALTH SAVINGS ACCOUNTS

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WHAT WE WILL COVER

- What is an HSA and how do I qualify for one?
- Contribution Limits & Employer Contributions
- Distribution Rules & Qualified Medical Expenses
- Tax Benefits
- Investing your HSA funds
- The HSA Max Strategy





WHAT IS AN HSA & DO I QUALIFY?



- Tax-Free Saving Account to be used for healthcare expenses
- To Qualify: Participate in the Select Health Med/Value High-Deductible Plan
- Unused funds roll over each year
- Use for personal, spousal, and child healthcare expenses (child must be a dependent claimed on your tax return)
- Can roll over if you change employers.
- Inheritable to your spouse and children

2026 HSA CONTRIBUTION LIMITS

Coverage	Individual	Family
Contribution Limit	\$4,400 (2026)	\$8,750 (2026)
Age 55+ (\$1000 Catch Up)	\$5,400 (2026)	\$9,750 (2026)

**You can make a prior year HSA contribution up until the tax filing deadline.*

Source: Internal Revenue Service

IHC EMPLOYER CONTRIBUTION

1600/3200 HSA Plan	Up Front Funding*	Bi-Weekly 50% Matching
Individual Enrollment	\$125 Up Front*	\$9.62 if employee contributes \$19.24
2-Party Enrollment	\$200 Up Front*	\$15.38 if employee contributes \$30.77
Family Enrollment	\$250 Up front*	\$19.24 if employee contributes \$38.48

3200/6400 HSA Plan	Up Front Funding*	Bi-Weekly 50% Matching
Individual Enrollment	\$150 Up Front*	\$13.46 if employee contributes \$26.92
2-Party Enrollment	\$250 Up Front*	\$21.15 if employee contributes \$42.31
Family Enrollment	\$300 Up front*	\$26.92 if employee contributes \$53.85

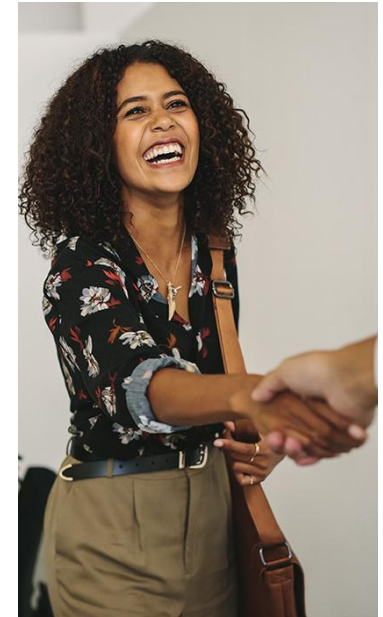
*Up front funding will be prorated based on employee's eligibility date.

Data as of 2026 and subject to change. HSA plan details are determined by the employer. Please consult your HR department with any questions.



HSA DISTRIBUTION RULES

- Distribution Before Age 65
 - Qualified Medical Expense - No taxes or penalties
 - Nonqualified Medical Expense - 20% penalty and income tax
- Distribution After Age 65
 - Qualified Medical Expense - No taxes or penalties
 - Nonqualified Medical Expense - Only income tax



Qualified medical expenses

Qualified medical expenses are designated by the IRS. They include medical, dental, vision and prescription expenses. See IRS publication 502 for a list of specific examples. Some highlights include:

- Acupuncture
- Alcoholism (rehab, transportation for medically advised attendance at AA)
- Ambulance
- Amounts not covered under another health plan
- Annual physical examination
- Artificial limbs/teeth
- Birth control pills/prescription contraceptives
- Body scans
- Breast reconstruction surgery following mastectomy for cancer
- Chiropractor
- Contact lenses
- Crutches
- Dental treatments
- Eyeglasses/eye surgery
- Hearing aids
- Long-term care expenses
- Medicines (prescribed, not imported from other countries)
- Nursing home medical care
- Nursing services
- Optometrist
- Orthodontia
- Oxygen
- Stop-smoking programs
- Surgery, other than unnecessary cosmetic surgery
- Telephone equipment and repair for hearing-impaired
- Therapy
- Transplants
- Weight-loss program (if prescribed by a physician for a specific disease)
- Wheelchairs
- Wigs (if prescribed)

Non-qualified medical expenses

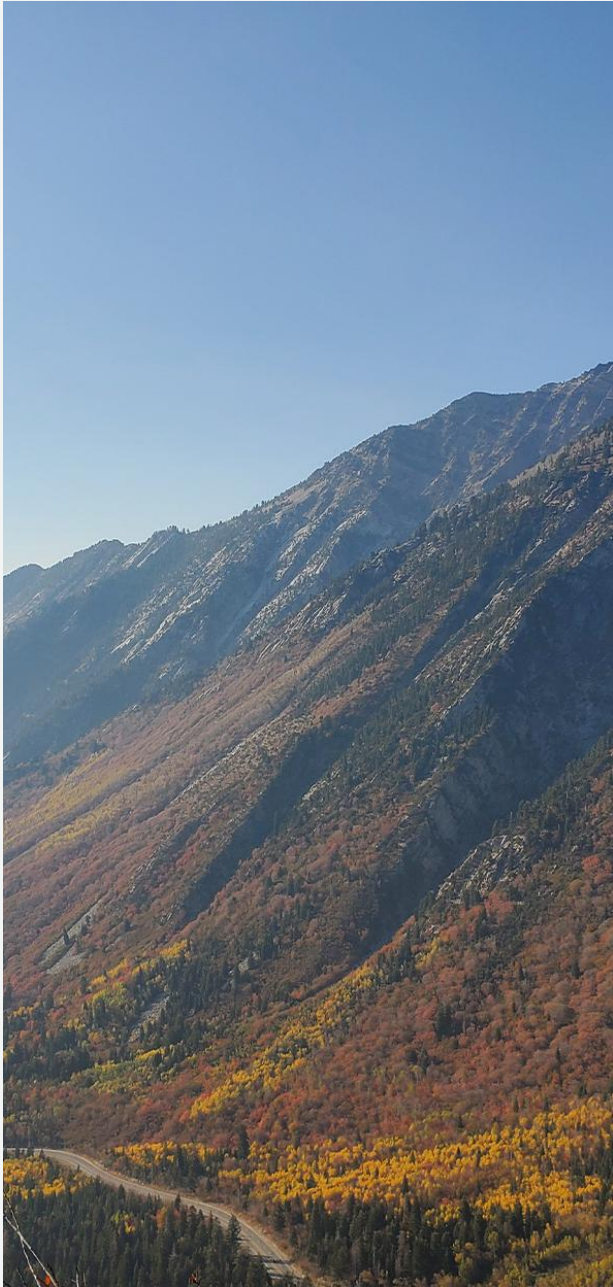
The federal penalty for using HSA funds for non-qualified expenses is 20% if you are under age 65, plus the loss of tax-free treatment for the distribution. Keep itemized receipts and copies of prescriptions for over-the-counter drugs in case of an IRS audit.

- Concierge services
- Dancing lessons
- Diaper service
- Elective cosmetic surgery
- Electrolysis or hair removal
- Funeral expenses
- Future medical care
- Hair transplants
- Health club dues
- Insurance premiums other than those explicitly included
- Medicines and drugs from other countries
- Nonprescription drugs, medicines (unless prescribed)
- Nutritional supplements, unless recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician
- Teeth whitening



TAX BENEFITS OF AN HSA

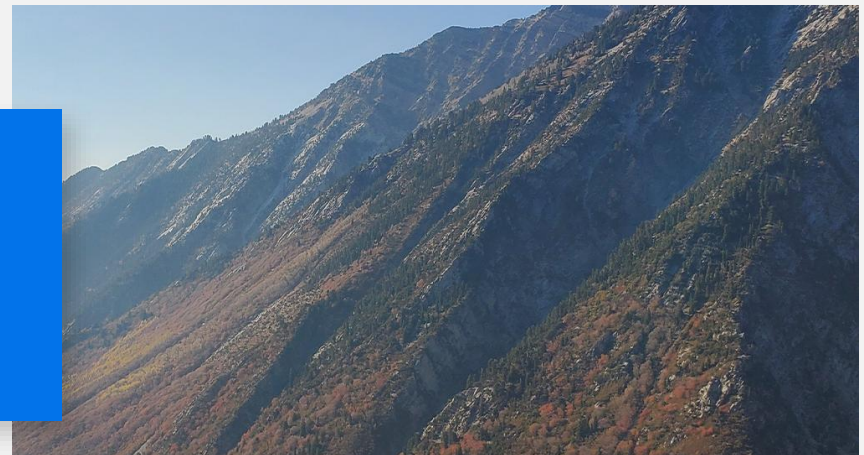
- Triple Tax Benefits
 - Contributions to your HSA are not taxable
 - Growth inside your HSA is not taxable
 - Distributions from your HSA for Qualified Medical Expenses are not taxable
- Contributions lower your taxable income
- No required minimum Distributions





INVESTING IN YOUR HSA

- You must have at least \$2,000 in cash before you can invest
- Keeping your deductible in cash can help fund any medical emergencies (\$3,200/\$6,400-In-Network)



INVESTING IN YOUR HSA

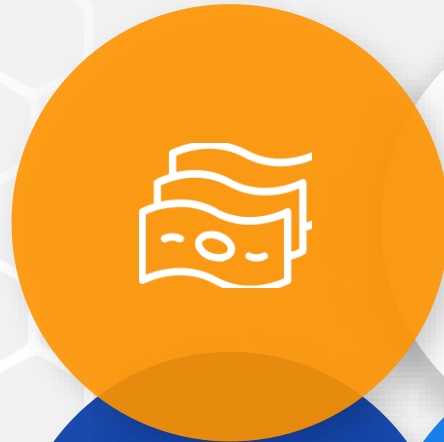
Fund	Name	Class	Actively Managed	OER	Return 1 Year	Return 5 Years	Return 10 Years	Life	Est % Holding	Target Allocation
VSMAX	Vanguard Small Cap Index ADM	Stock	No	0.05%	17.94%	10.53%	8.83%	9.20%	33.9%	34%
VIMAX	Vanguard Mid Cap Index Admiral	Stock	No	0.05%	19.46%	11.12%	9.57%	10.07%	33.3%	33%
VIGIX	Vanguard Growth Index Institutional	Stock	No	0.04%	30.60%	18.50%	15.06%	9.11%	32.8%	33%
VTHRX	Vanguard Target Retirement 2030 Fund	Other	Yes	0.08%	16.74%	7.91%	6.89%	6.90%	0.0%	0%
VTTHX	Vanguard Target Retirement 2035 Fund	Other	Yes	0.08%	17.98%	8.84%	7.44%	7.63%	0.0%	0%

Examples are for educational purposes only and should not be considered recommendations. Available investment options, rules, and fees may vary by HSA custodian and are subject to change. Confirm eligibility and details with your HSA custodian.



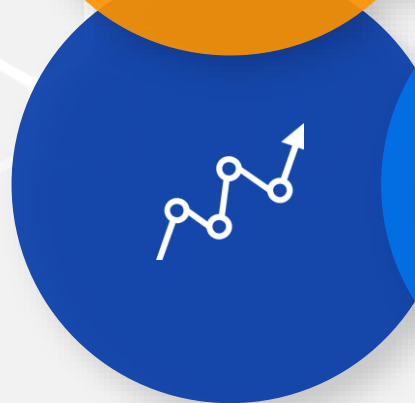
HSA MAX STRATEGY

**Pay cash for any
medical expenses**



**Keep track of
medical expenses**

**Invest your HSA balance
(above \$2,000)**



**Reimburse
yourself for past
medical expenses
at any time**



CAPITA FINANCIAL

QUESTIONS?

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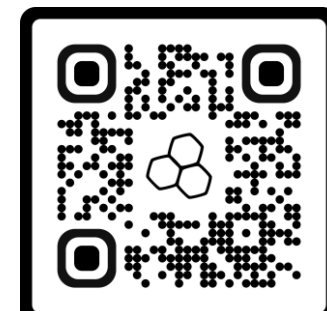
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THE END

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