

HEALTH SAVINGS ACCOUNT (HSA)

AVIDIA BANK

An HSA debit card account through Avidia bank is available to employees enrolled in either HSA Qualified Plan. Enrolled employees will receive a matching employer contribution up to \$700 per year. Health savings accounts (HSAs) are a way to save money and budget for qualified medical expenses. HSAs are tax-advantaged savings accounts that accompany high-deductible health plans (HDHPs). HDHPs offer lower monthly premiums in exchange for a higher deductible (the amount to pay before insurance applies).

ELIGIBLE EXPENSES

Your HSA must be used for eligible medical, dental, vision, and prescription drug expenses. In general, eligible expenses are those that qualify toward the copays, and coinsurance with your health, dental or vision plans.

PORTABILITY	FLEXIBILITY	TAX SAVINGS	PREMIUM SAVINGS
<ul style="list-style-type: none">You own 100% of the deposited funds, meaning if you change employers or retire, you do not lose HSA money regardless of whether you contributed the money or if it was an employer contribution.	<ul style="list-style-type: none">You can choose to spend the money on current medical expenses, or you can save your money for future use.Unused funds will automatically roll over to the following year as there is no “use it or lose it” provision.	<ul style="list-style-type: none">Contributions are tax free (pre-tax through payroll deductions or tax-deductible).Earnings are tax free.Funds withdrawn for eligible medical expenses are tax free.	<ul style="list-style-type: none">By choosing a HDHP, your payroll contribution is lower than the traditional PPO plan.

ADDING MONEY

The government sets the annual maximum that can be contributed to an HSA depending on the level of coverage under your health insurance. See the table below. Coverage of two or more people is considered family coverage. People who are age 55 or older can make additional catch-up contributions. You contribute via pre-tax payroll deductions.

USING HSA MONEY

You decide when to spend money from your HSA. If you pay out of pocket for an eligible medical expense, you can use your HSA debit card, submit a claim to reimburse yourself, or choose to not reimburse yourself and let the money in your HSA build up.

If you use your HSA money for expenses that are not eligible, you will pay a 20% penalty plus income tax on the amount. Once you turn age 65, you may use your HSA money for any expense, medical or not, but you will pay income taxes on those non-medical expenses. To view the full list of eligible expenses, visit <https://www.irs.gov/publications/p502> .

HSA Maximum 2025-2026 Contribution Limits		
Year	2025	2026
Employee Only	\$4,300	\$4,400
Employee + Dependent(s)	\$8,550	\$8,750
Age 55+ Catch-Up	\$1,000	\$1,000

Note: It is your responsibility to familiarize yourself with IRS regulations on HSAs and maintain records of all transactions pertaining to your HSA for audit purposes.