

HEALTH SAVINGS ACCOUNT (HSA)

FOR 2021 TALLEY CONSTRUCTION COMPANY, INC. IS OFFERING A HEALTH SAVINGS ACCOUNT (HSA). THIS IS HOW AN HSA WORKS:



A health savings account (HSA) is a health care account and savings account in one. The main purpose of this account is to offset the cost of a qualifying high deductible health plan (HDHP) and provide savings for your out-of-pocket eligible health care expenses – those you and your tax dependents may have now, in the future, and during your retirement.



This is a “portable” account. You own your HSA! It’s included in your employee benefits package, but after you set up your account, it’s yours to keep, even if you change jobs or retire.



Once your HSA is established, money is contributed to your account by you, Talley Construction Company, Inc. or friends and family, and you can then use your HSA dollars tax-free to pay for eligible health care expenses. You save money on expenses you’re already paying for, like doctors’ office visits, prescription drugs, and much more. Best of all, you decide how and when to use your HSA dollars.

WHY IS IT A GOOD IDEA TO HAVE AN HSA?

HSAs benefit everyone who is eligible to have this account – single individuals, families, and soon-to-be retirees. You save money on taxes in three ways:

Tax-free deposits

The money you contribute to your HSA isn’t taxed (up to the IRS annual limit)

Tax-free earnings

Your interest and any investment earnings grow tax-free

Tax-free withdrawals

Money used toward eligible health care expenses isn’t taxed – now or in the future

Setting aside pre-tax dollars into your HSA you pay fewer taxes and increase your take-home pay by your tax savings. You save money on eligible expenses that you are paying for out of your pocket. The amount you save depends on your tax bracket. For example, if you are in the 30 percent tax bracket, you can save \$30 on every \$100 spent on eligible health care expenses.

HSA funds roll over from year to year and accumulate in your account. There is no “use-it-or-lose-it” rule with HSAs, and you decide how and when to use your HSA funds, which can be used for eligible expenses you have now, in the future, or during retirement. And when you have a certain balance in your HSA, investment opportunities are available.

HEALTH SAVINGS ACCOUNT (HSA)

If you choose to participate in Option A (Base Plan), a qualified high deductible health plan, you have the opportunity to open a Health Savings Account (H.S.A.). Following are the maximum amounts that can be contributed annually to your account, according to IRS guidelines:

Individual: 2021—\$ 3,600 / **Family:** 2021—\$ 7,200

If you are older than age 55, you may contribute an additional \$1,000 per year.

Not only can your health savings account be used to pay for direct medical expenses, you may also pay for other health-related expenses from this tax-free account as well. This list is not all inclusive, and the IRS may modify eligible expenses from time to time. **Please note, common drug store items such as band-aids, ointments, cough suppressants, and other OTC medications are not eligible to be purchased using your health savings account dollars unless a written prescription is provided by your physician.**

- Acupuncture
- Ambulance
- Annual Physical Examination
- Artificial Limb
- Artificial Teeth
- Bandages
- Birth Control Pills
- Body Scan
- Braille Books and Magazines
- Breast Pumps and Supplies
- Breast Reconstruction Surgery
- Chiropractor
- Christian Science Practitioner
- Contact Lenses
- Crutches
- Dental Treatment
- Diagnostic Devices
- Disabled Dependent Care Expenses
- Drug Addiction
- Eye Exam
- Eyeglasses
- Eye Surgery
- Fertility Enhancement
- Guide Dog or Other Service Animal
- Hearing Aids
- Home Care
- Hospital Services
- Laboratory Fees
- Lactation Expenses
- Learning Disability
- Lifetime Care—Advance Payments
- Lodging
- Long-Term Care
- Medical Conferences
- Medicines
- Nursing Home
- Nursing Services
- Optometrist
- Organ Donors
- Osteopath
- Oxygen
- Physical Examination
- Pregnancy Test Kit
- Prosthesis
- Psychiatric Care
- Psychoanalysis
- Psychologist
- Special Education
- Sterilization
- Stop-Smoking Programs
- Surgery
- Therapy
- Transplants
- Vasectomy
- Vision Correction Surgery
- Weight-Loss Program
- Wheelchair
- Wig
- X-ray

\$FREE MONEY\$ - Check it out!

If you choose option A and choose to contribute to a health savings account, Talley Construction will match your contribution dollar for dollar up to \$9.62 per week/\$500 annually (individual) or \$19.23 per week/ \$1,000 annually (with dependents). Employees may stop, start or change their H.S.A. contribution amount at any time.

Health Equity is the custodial bank for your Health Savings Account. Contact them directly at 1-866-346-5800 or at www.healthequity.com to make a name or address change, request a new debit card, balance inquiry, etc.

If you are enrolled in other coverage in addition to your qualifying HDHP with Talley Construction, you may NOT contribute to an H.S.A. if that plan is not a qualifying HDHP. This includes enrollment in Medicare, Medicaid, TriCare, any government sponsored coverage, or your spouse's plan.