

Information about your Health Savings Account

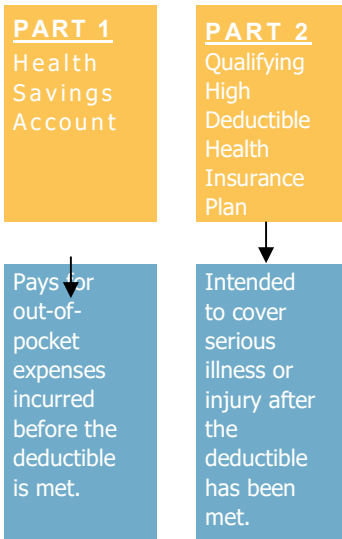
What is a Health Savings Account (HSA) and who is eligible to have one?

An HSA is an IRS qualified health saving account where tax-free or tax-deductible deposits are made to pay for eligible medical, dental and vision expenses. The maximum amount that can be deposited each year is defined by the IRS. In addition to favorable tax treatment, there are many advantages to opening and funding an HSA.

Any adult can contribute to an HSA if they meet the requirements:

- Have coverage under an HSA qualified "high deductible health plan" (HDHP)
- Have no other first-dollar medical coverage (other types of insurance like specific injury insurance or accident, disability, dental care, vision care, or long-term care insurance are permitted)
- Are not enrolled in Medicare (any Part)
- Cannot be claimed as a dependent on someone else's tax return

How does an HSA work?



Contributions to your HSA can be made by you, your employer, or both. However, the total contributions are limited annually. If you make contributions, you can deduct the contributions (even if you do not itemize deductions) when completing your federal income tax return.

Once you enroll in Medicare (any Part), you are no longer eligible to contribute to an HSA. However, if you enroll in Medicare you can keep the money in your Health Savings Account and use it to pay for medical expenses tax-free.

High Deductible Health Plans (HDHPs)

You must have coverage under an HSA-qualified "high deductible health plan" (HDHP) to open and contribute to an HSA. Generally, this is health insurance that does not cover first-dollar medical expenses. For 2024 and 2025 the IRS requires these **minimums** for the HSA-qualified health insurance deductible:

	2024	2025
Self-only coverage	\$1,600	\$1,650
Family coverage	\$3,200	\$3,300

In addition, per IRS regulations the annual out-of-pocket **maximum** for an HSA-qualified plan (including deductibles, co-pays, and co-insurance) cannot exceed:

	2024	2025
Self-only coverage	\$ 8,050	\$ 8,300
Family coverage	\$16,100	\$16,600

In general, the deductible must apply to all medical expenses (including prescriptions) covered by the plan. However, plans can pay for "preventive care" services on a first-dollar basis (with or without a co-pay). "Preventive care" can include routine pre-natal and well-child care, child and adult immunizations, annual physicals, mammograms, pap smears, etc. These amounts are adjusted annually for inflation.

HSA Eligibility Requirements

To be eligible for an HSA, you must meet all of these requirements:

- You are covered under a qualified HDHP.*
- You are not covered by another health plan that is not an HDHP. **
- You are not enrolled in Medicare.
- You cannot be claimed as a dependent on another individual's tax return.
- You have HDHP coverage on the first day of the month during the month that the HSA is opened.

*The maximum out-of-pocket expenses cannot exceed the annual limits set by the IRS. See your health insurance administrator to determine if your insurance plan meets the requirements for a qualified HDHP. **Certain exceptions may apply.

What are the benefits of an HSA?

An HSA gives you choice and control.

Security – Your high deductible insurance and HSA protect you against high or unexpected medical bills.

Affordability – You should be able to lower your health insurance premiums by switching to health insurance coverage with a higher deductible.

Flexibility – You can use the funds in your account to pay for current medical, dental and vision expenses, including expenses that your insurance may not cover, or save the money in your HSA account for future needs, such as:

- Health insurance or medical expenses if unemployed
- Medical expenses after retirement (before Medicare)
- Out-of-pocket expenses when covered by Medicare
- Long-term care expenses and insurance

Savings – You can save the money in your account for future medical expenses and grow your account through investment earnings.

Control – You make all these decisions:

- How much money to put into the account (up to IRS contribution limits)
- Whether to use your HSA funds to pay current medical expenses or to save for future expenses
- Which company will be your HSA custodian
- Whether to keep your funds in low-risk bank accounts or to invest some of the funds in longer-term investments like mutual funds

Portability – Accounts are completely portable, meaning you can keep your HSA even if you:

- Change jobs
- Change your medical coverage
- Become unemployed
- Move to another state
- Change your marital status

Ownership – Funds in your HSA belong to you and are always 100% vested. Unlike other medical spending accounts, HSA funds can remain in the account year to year. There are no “use it or lose it” rules for HSAs.

WHAT ARE THE STEPS FOR UTILIZING YOUR HSA?

1

Employee and/or employer funds HSA account.

2

Employee seeks medical services.

3

Medical services are paid by the HDHP, subject to a deductible and coinsurance.

4

Employee may seek reimbursement from HSA account for amounts paid toward deductible and coinsurance.

5

Deductible and out-of-pocket maximum are fulfilled.

6

Employee may be covered for all remaining eligible expenses.*

*Preventive care may be covered at 100% subject to plan design. Check Summary Plan Description.

How does my HSA work and how can I make the most of it?

AN HSA WORKS LIKE A TAX ADVANTAGED SAVINGS VEHICLE

Making HSA contributions is easy.

You can make deposits to your HSA at any time and in a variety of ways. Your employer may allow you to make contributions through automatic payroll deductions. You can also make direct deposits into your HSA. You can even make a one-time transfer from an Individual Retirement Account (IRA) into your HSA.

There is no time limit for using contributions made to your HSA

Contributions made to your Health Savings Account belong to you and can be used for current qualified medical, dental or vision expenses or saved and used for qualified expenses incurred anytime in the future. There is no requirement to spend all the money in your HSA by the end of the year. Your HSA is also portable. If you change employers, your HSA goes with you. You can even use your HSA to pay COBRA payments during periods of unemployment.

Paying for medical expenses

Here are a few simple tips to keep in mind:

- Qualified expenses may be paid with your HSA money, or you may pay out-of-pocket and continue to save in your HSA.
- Your HSA works like a checking account with withdrawals limited only by the account balance. Regulations do not allow custodians to overdraw HSA accounts. There must be sufficient funds in the account before using your HSA debit visa card or requesting reimbursement.
- After you open your HSA account, you have the option to receive an HSA debit visa card. This card can be used like a visa card to pay for qualified expenses anywhere it is accepted. Payments will be deducted directly from your HSA.
- Qualified medical expenses may or may not count toward your HDHP deductible. Check your HDHP specifics for details.

HOW CAN I MAKE THE MOST OF MY HSA?

Contribute the maximum to your HSA

The maximum contribution limits for HSAs are established by the IRS each year. The limits are adjusted each year for inflation. By contributing the maximum to your HSA, you are not only saving money for a healthcare necessity, you're saving for your future. With the significant tax advantages of an HSA, there may be no better long-term savings vehicle.

HDHP/HSAs reward better health decisions

HDHP/HSAs provide a promising new approach to reducing healthcare costs by rewarding healthful choices. They are designed to lower long-term health insurance costs by encouraging healthy lifestyle choices and becoming a better healthcare consumer.

Look for the best healthcare values

To make the most of your HSA, become a more conscious healthcare consumer. The goal is to find value: the best quality at the best price. For example, buying generic drugs may save hundreds of dollars each year. With an HSA, those are dollars that stay in your account.

Adopt a healthy lifestyle

One of the best ways to save money on your healthcare expenses is simple: Get and stay healthier! An HSA can be thought of as part of your total health and financial wellness plan. By adopting health-conscious choices, you can potentially reduce your total healthcare expenses. You save more money, and your account balance grows.

An HSA helps you save for healthcare expenses, tax free.

Funding your HSA is important

Remember to contribute up to the maximum annual amount allowed by the IRS to maximize your tax savings. Once you put money in your HSA, you can use it now to pay for qualified expenses or save it and grow your HSA balance each year to use later in life or in retirement – all tax-free.

Your HSA can help pay for qualified medical expenses

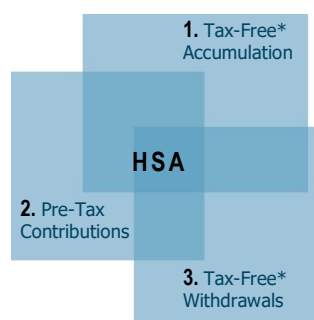
Funds in your Health Savings Account can be used to pay for qualified medical expenses like doctor's visits and prescription medications not only for yourself, but for your spouse and tax dependents.

HSAs enjoy significant tax advantages

Contributions to your HSA can be made on a pre-tax basis. HSA earnings grow tax-free and, as long as the funds are used for qualified expenses, withdrawals from your HSA are also tax-free.* If you spend any of your HSA money on non-qualified expenses prior to age 65, you will pay ordinary income tax on those funds and will have to pay a 20% IRS penalty.

Contribution limits are adjusted each year

The maximum annual contribution you can make to a Health Savings Account is established by the IRS each year. You may contribute the maximum amount to your HSA even if you join the plan later in the year. (Restrictions may apply.) Contributions can be made until the tax filing deadline (usually April 15) for the previous calendar year.



The HSA Triple Tax Advantage

Contributions to an HSA can be made pre-tax. Your HSA savings also accumulate without tax.* Withdrawals made for qualified expenses are also tax-free.* Funds withdrawn for nonqualified expenses will be taxed as ordinary income and may be subject to a 20% IRS penalty.

*State taxes may vary. Consult your tax advisor.

WHAT QUALIFIED EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT FROM AN HSA?

To help you determine whether an expense qualifies for tax-free reimbursement under your HSA, Internal Revenue Code Section 213(d) states that eligible expenses must be made for "medical care". This is defined as amounts paid for the "diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body." Qualified medical expenses are eligible for reimbursement through your HSA as long as they are not reimbursed through insurance or other sources. The examples and requirements listed below are subject to change by the IRS.

The list below includes some examples of qualified medical expenses. **For a complete list refer to IRS Publication 502.**

- Acupuncture
- Alcoholism treatment
- Ambulance services
- Artificial limb or prosthesis
- Artificial teeth
- Birth control pills
- Braille books/magazines (portion of costs)
- Car adaptations (for a person with a disability)
- Chiropractors
- Christian science practitioners
- Contact lenses (including saline solution and cleaner)
- Crutches
- Dental treatment (x-rays, fillings, extractions, dentures, braces, etc.)
- Diagnostic devices (such as a blood sugar test kit)
- Doctor's fees
- Drug addiction treatment
- Eyeglasses (including eye examinations)
- Eye surgery (including laser eye surgery)
- Fertility enhancement (including in-vitro fertilization)
- Guide dog (for visually-impaired or hearing-impaired)
- Hearing aids and hearing aid batteries
- Hospital services (including meals and lodging)
- Insulin
- Laboratory fees
- Lactation assistance supplies
- Prescription medicines or drugs
- Nursing home
- Nursing services
- Operations or surgery
- Psychiatric care
- Psychologist
- Telephone equipment for hearing-impaired
- Telephone equipment for visually-impaired
- Therapy or counseling
- Transplants
- Transportation for medical care
- Vasectomy
- Wheelchair
- X-rays

What other HSA expense information should I be aware of?

The CARES Act, signed into law on March 27, 2020, expanded the list of products eligible for reimbursement from HSAs to include the addition of over-the-counter (OTC) drugs and medicines, which previously were only eligible for reimbursement with a prescription. Additionally, feminine hygiene products such as tampons, pads, liners, cups, and sponges are now eligible. These newly approved items are retroactively eligible dating back to January 1, 2020. A current listing of eligible and ineligible expenses is available on HealthEquity's website.

Examples of expenses that DO NOT qualify for reimbursement through an HSA

- Babysitting, childcare, and nursing services for a normal, healthy baby
- Controlled substances obtained in violation of federal law
- Cosmetic surgery
- Dancing lessons
- Diaper service
- Electrolysis or hair removal
- Funeral expenses
- Hair transplant
- Health club dues
- Household help
- Illegal operations and treatments
- Maternity clothes
- Personal use items
- Swimming lessons
- Teeth whitening
- Vacation or travel
- Veterinary fees
- Weight loss programs for improvement of appearance, general health, or sense of well-being

A special note on insurance premiums

Insurance premiums are generally not considered qualified expenses. However, the following types of insurance premiums typically do qualify:

- Continuation coverage under federal law (i.e., COBRA)
- Qualified long-term care insurance contract
- Any health plan maintained while an individual is receiving unemployment compensation under federal or state law
- For accountholders age 65 and over (i.e., those eligible for Medicare), premiums for any health insurance (including Medicare and Medicare Part D premiums) other than a Medicare supplemental policy

Important reminders about qualified medical expenses (for a complete list of qualified expenses refer to IRS Publication 502).

- Items that are merely beneficial to an individual's general good health, such as vitamins or dietary supplements, are not qualified medical expenses.
- Drugs must be purchased legally.
- Remember to save your receipts and your doctor's prescriptions for OTC medicines for tax purposes.
- There may be situations when your doctor recommends a treatment that will be good for your health, but it still may be considered ineligible, such as a vacation.
- As the HSA owner, you are ultimately responsible for determining whether a healthcare expense is eligible for reimbursement from your HSA.
- If an HSA expenditure is not used for a qualified expense, you will be required to pay income tax plus a 20% IRS penalty tax on the amount used. (The 20% IRS penalty tax does not apply to payments made after your death or disability, or after you reach age 65.)

For a complete list of qualified medical expenses refer to IRS Publication 502.

HDHP Guidelines, HSA Contribution Limits and HSA Profiles

For 2024 and 2025 qualified High Deductible Health Plan (HDHP) minimum deductibles, out-of-pocket spending maximum limits and HSA maximum contribution limits are as follows:

	Minimum Deductible		Defined Maximum Out-of-Pocket Expenses		Maximum HSA Contributions***	
	2024	2025	2024	2025	2024	2025
Individual	\$1,600	\$1,650	\$8,050	\$8,300	\$4,150	\$4,300
Family	\$3,200	\$3,300	\$16,100	\$16,600	\$8,300	\$8,550

*****Maximum HSA Contributions:** If you are an eligible individual for the entire year, and do not change your level of coverage, you can contribute the full amount based on your type of coverage. However, if you were not an eligible individual for the entire year, or changed your coverage during the year, you should refer to IRS Publication 969 to determine your maximum contribution limit.

Catch-up Contribution

Individuals who are 55 or older and covered under a high deductible health plan are eligible for an additional \$1,000 catch-up contribution for 2012 and beyond. In general, catch-up contributions for a spouse must be made into a separate HSA account opened in the name of the spouse.

SAMPLE PROFILES

It is important to figure out what kind of HSA user you are. Take a look at the chart below to figure out how much you should be contributing.

HSA SAVER VS. INVESTOR*	
HSA Short-Term Saver	HSA Long-Term Investor
First year in an HSA	Several years in an HSA
Contributing just enough to cover medical expenses	Contributing more than one year's anticipated medical expenses (Up to maximum contribution limit)
Will need HSA savings to pay for Medical expenses	I Chooses to pay for current medical expenses out of pocket

*These profiles are samples and for illustration purposes only. They are not meant to be investment or tax advice. Always consult a prospectus before investing any money.

How to enroll in the program.

How do sign up for an HSA through my employer.

Complete the HealthEquity HSA Group Application, available on the GSFR International Resources website (<http://www.gsfrinternational.org/GlobalWorker.html>) and return it to your Benefits Coordinator.

How do I make deposits into my HealthEquity HSA account?

There are a couple of ways to deposit funds into your HealthEquity HSA account.

1. Pre-tax deposits taken directly from your pay. Complete and return your employer's HSA Salary Reduction Agreement and/or a Work Fund Transfer Form to have funds deducted from your pay and/or work funds deposited into your HSA.
2. Electronic funding taken directly from your bank account. To debit funds from your bank and deposit them into your HSA, login to your user account through HealthEquity's Online Member Portal (my.healthequity.com) and select the "Contribute" option.

How do I pay for qualified medical expenses?

Payments or reimbursements for qualified expenses can be handled in several ways.

1. You can pay providers directly and reimburse yourself for qualified expenses paid out of pocket.
2. Use your HSA Debit Visa Card at the time of service anywhere VISA® is accepted.
3. Pay a provider's bill by charging the expense to your HSA Debit Visa Card for any provider that accepts VISA®.
4. Use HealthEquity's online "Pay Provider" option to pay providers directly from your HSA.

How can I contact HealthEquity to ask questions about my HSA?

You may call HealthEquity member services at 866-346-5800 or use the Support option within your user account.

These accounts are tax advantaged. What are my record keeping and tax reporting responsibilities?

IRS form 8889 tracks transaction activity on the HSA and determines the amount of the eligible tax deduction for the account during the previous tax year. The HSA account holder is also responsible for keeping a paper trail of all transaction activity that occurs in the account during the tax year. Those items can include Explanation of Benefits, doctors' bills, and transaction receipts.

What type of tax reporting does the HSA administrator provide?

Your HSA administrator is required to provide annual contribution and distribution reporting to you and the IRS.

- Distributions are reported using form 1099SA. This form shows aggregate distributions from the HSA during the previous tax year. Form 1099SA is mailed to clients at the end of January.
- Contributions are reported on form 5498SA. This form shows aggregate contributions for the previous calendar year plus contributions made in the current year, up to the tax filing deadline, for the previous year. Form 5498SA is mailed to clients at the end of April.

Both tax documents are also available to you online by logging into your HealthEquity user account.

What if I enroll in an HDHP in the middle of a year?

If you enroll in an HDHP in the middle of a plan year, you are allowed to make a full year's contribution to an HSA, provided you remain covered by an HDHP for at least a 12-month period following the conclusion of that plan year. See IRS Publication 969 for complete contribution rules.

How to enroll in the program.

THERE ARE FOUR SIMPLE STEPS TO ENROLLING IN THE PROGRAM.

STEP 1:

Review this HSA Enrollment Guide

STEP 2:

Sign up for an HSA qualified High Deductible Health Insurance Plan

STEP 3:

Complete the HealthEquity HSA Group Application and return it to your Benefits Coordinator at BenefitsHelp@proton.me

STEP 4:

Fund your HSA by completing and returning the Salary Reduction Agreement and/or the Work Fund Transfer Form