



AccrueHealth

Health Savings Accounts (HSA)

HSA Basics

A Health Savings Account (HSA) is a tax-advantaged trust or custodial account available to taxpayers in the United States who are enrolled in a qualifying high-deductible health plan (HDHP) and created for the purpose of savings and paying for qualified medical expenses.

- IRS code, section 223 - Created as part of the Medicare Prescription Drug and Modernization Act (Dec. 8, 2003); Replaced Medical Savings Accounts (MSAs)
- An HSA is established for the benefit of an individual and is portable
- Members must meet HSA eligibility requirements to open HSAs, an **eligible individual**:
 - is covered under an HDHP as of the first day of the month
 - is not also covered by any other health plan that is not an HDHP (with certain exceptions for types of permitted coverage)
 - is not enrolled in Medicare benefits
 - may not be claimed as a dependent on another person's tax return
- Contributions offer a federal triple tax advantage
 - Contribution into the HSA*
 - Tax-free interest and growth
 - Withdrawals for qualified expenses



¹Learn More: [2021 Publication 502 \(irs.gov\)](https://www.irs.gov/publications/p502)

* HSA contributions are taxed in CA and NJ; please consult your tax advisor

Qualified High Deductible Health Plan

- To be eligible to contribute to your HSA, you must be enrolled in a qualified high deductible health plan
- Below are the minimum deductible amounts:

HDHP (self-only coverage)	2022	2023
Annual deductible not less than:	\$1,400	\$1,500
Annual out-of-pocket expenses don't exceed:	\$7,050	\$7,500

HDHP (family coverage)	2022	2023
Annual deductible not less than:	\$2,800	\$3,000
Annual out-of-pocket expenses don't exceed:	\$14,100	\$15,000

HSA Contribution Limits

- Each year the IRS reviews, and sometimes increases, the annual election limits for HSAs
- Below are the current contribution limits:

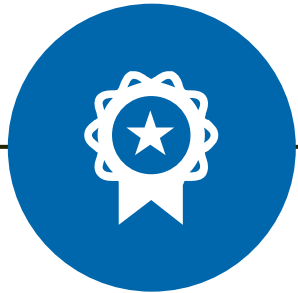
HSA	2022	2023
Self-only HSA contribution limit	\$3,650	\$3,850
Family HSA contribution limit	\$7,300	\$7,750

- To further assist older workers, the IRS provides for a “catch-up” contribution - individuals 55 years and older can contribute an additional \$1,000 per year

HSA + Catch-Up	2022	2019
Self-only HSA contribution limit	\$4,650	\$4,850
Family HSA contribution limit	\$8,300	\$8,750

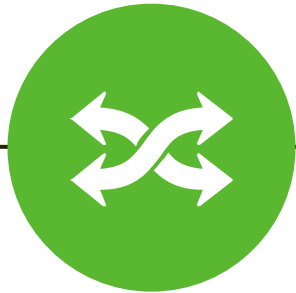
Unlike FSAs & HRAs, HSAs Are Portable & Great Tool For Long Term Savings

Saving account vs. a Spending account



You Own Your Account For Life

You own your HSA even if you change jobs or health plans



Your Funds Never Expire

Your HSA balance carries over year after year; no “use it or lose it”



Funds can be invested for growth

Just like a 401k, funds can be invested & earn interest

- A significant number of members fail to understand these factors

Opening an HSA

Consumer Identification Process (CIP)

What is CIP?

Consumer Identification Program
Required to verify participant's identity prior to opening any bank account (such as an HSA)
Federal provision of the Patriot Act

The 4 Focus Areas of CIP:

1. Name
2. Address
3. Date of Birth
4. Social Security Number

■ There are three components of the CIP process:



OFAC – Office of Foreign Assets Control

Applicants are vetted to ensure they are not on the federal government list(s) of known and suspected terrorists and terrorist organizations

Mandatory for all applicants



IDV – Identity Verification

Demographic information submitted on the application is compared to public records for that individual

Mandatory for all applicants



IDA – Identity Authentication

Applicants who are enrolling utilizing the WCP online application are presented with four 'out of pocket' multiple choice questions; for example, "With what financial institution did you have your last auto loan?"

Can be used in conjunction with IDV or as a backup in the event of an IDV failure

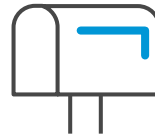
CIP Failure & Process

- Most applicants pass CIP automatically
- CIP failures occur when the personal identification provided by the member do not match government records
- These are usually the result of:
 - PO box as primary address
 - Changes to info (*such as name changes*)
 - Typographical errors (*transposing numbers on the SSN*)
 - Misaligned data (*address on line 2 instead of line 1*)

CIP failure process



All CIP failures require manual intervention

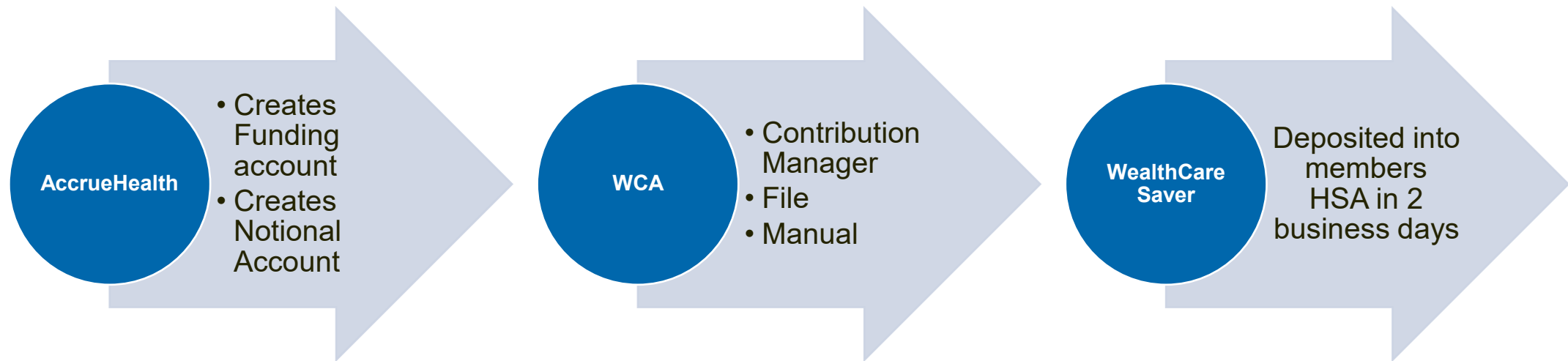


Participants are asked to submit information for verification



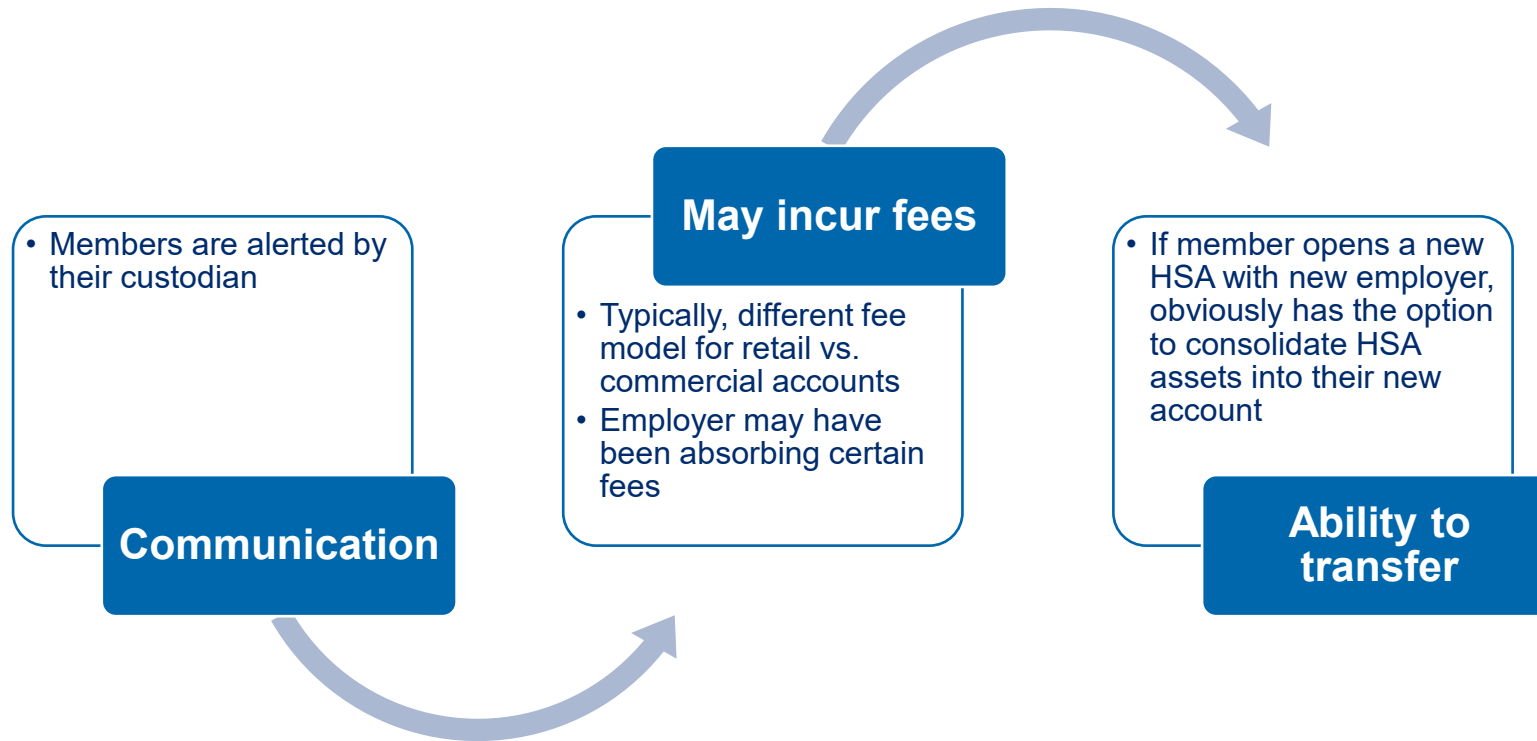
Participants that do not send in information are marked "Closed/Reapply Allowed"

The Pull Funding Method

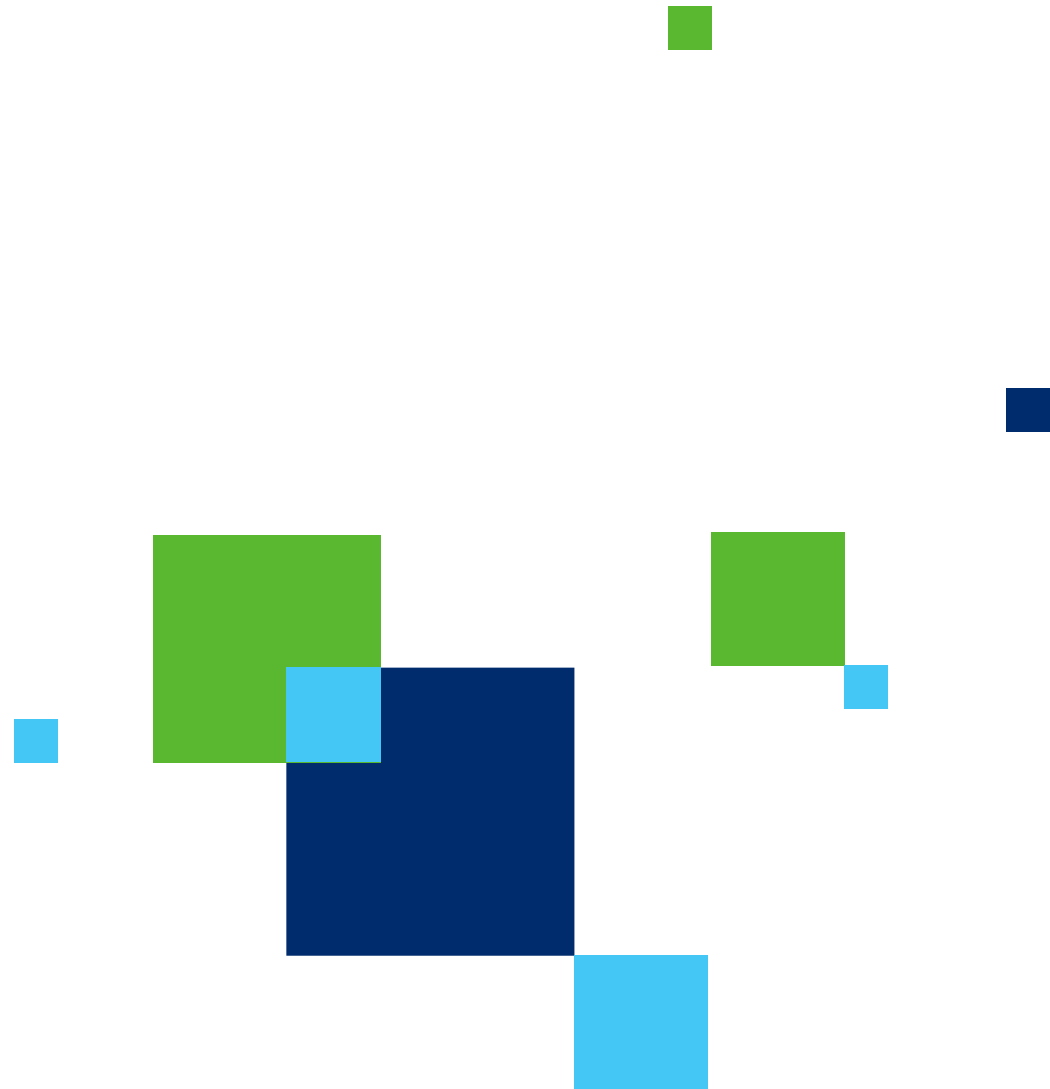


Re-Association

When an HSA member leaves their employer, their account converts to a “retail” account with the custodian




HSA Investments



Fully Integrated Health + Wealth Experience

- WealthCare Saver is part of the AccrueHealth HSA experience that **allows employers to offer their members a modern and real-time HSA investment experience**
- Members can manage all aspects of their HSA, including their spending account and their investments, from **the AccrueHealth member experience** and across portal and mobile.
- New HSA experience with **lower cost investment options and three (3) investment path options** to meet a member's needs and preferences.
- Smart Account opportunities **feed will alert members** when they are eligible to invest
- Included educational tools and assets, and members have access to their actual rate of return to help them **understand the long-term benefits associated with investing their HSA funds**




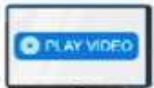
INVEST YOUR HSA

Learn how to accelerate your retirement savings

The average couple can expect to spend \$300,000 on out-of-pocket healthcare costs during retirement. Investing your HSA can help you prepare and save money for the future.

Once your HSA reaches the required minimum balance, you can begin to save for retirement by investing your funds, just like a 401k. But unlike a 401k, you **never pay taxes** on earnings or withdrawals for qualified medical expenses!



Accelerate your retirement savings 



How it works

It's as simple as 1-2-3

- 1 INVEST YOUR HSA**
Open your investment account online and track performance in real time – all from the same online portal you use to manage your HSA.
[LEARN MORE ▶](#)
- 2 PICK YOUR PATH**
Choose from a variety of investment options that fit your needs, whether you're a new or seasoned investor: Managed, Self-directed or Brokerage.
[LEARN MORE ▶](#)
- 3 GROW YOUR EARNINGS**
Your investment earnings grow tax-free and you never pay income taxes on withdrawals for qualified medical expenses.
[LEARN MORE ▶](#)


Investments = Flexibility

PREPARE FOR YOUR FUTURE
Build a nest egg to help cover healthcare costs in retirement.
[LEARN ABOUT HSA RETIREMENT PLANNING ▶](#)



STAY COVERED FOR THE SHORT-TERM

You can move investment funds back to your HSA spending account at any time to pay for qualified medical expenses.



Three Unique Investment Paths



MANAGED

Designed for **novice** investors who prefer to have our advisor tool automatically select and rebalance investments on an ongoing basis in accordance with their age and/or risk profile.

This account type delivers a “do-it-for-me” approach to investing.



SELF-DIRECTED

Designed for **intermediate** investors who have the desire to self-select from a menu of monitored investment options covering multiple asset classes to diversify their portfolio, and then rebalance their portfolio manually.

This account type provides a balance between do-it-for-me and DIY approaches to investing.



BROKERAGE

Designed for **adept** investors who desire to perform advanced research and trading across hundreds of individual stocks and ETFs.

This account type offers a hands-on, DIY approach to investing.