



Member FDIC

# Health Savings Accounts (HSA) 2018

## What are HSAs?

Health Savings Accounts (HSAs) are accounts established for the purpose of paying for qualified medical expenses not covered by High Deductible Health Plans (HDHP). HSAs were created to lower healthcare costs and help give control back to consumers. Contributions to the account may be used for current or future medical expenses.

In 2018, a health plan is considered a HDHP if the plan satisfies the following 2018 annual expense requirements: minimum deductible \$1,350 (single) or \$2,700 (family) and maximum out-of-pocket \$6,650 (single) or \$13,300 (family).

The maximum contribution amount to a HSA is the statutory maximum for single or family coverage, whichever is applicable. Individuals age 55 and older may make “catch-up” contributions of \$1000.

	<u>2017</u>	<u>2018</u>
Self-only coverage	\$ 3,400	\$ 3,450
Family coverage	\$ 6,750	\$ 6,900

## Easy, convenient withdrawals

To use your HSA for qualified expenses, simply use your Health Savings Account Debit Card or write a check.

Examples of qualified expenses might include most medical, dental and vision care and prescription and over-the-counter drugs. Some alternative expenses, such as chiropractic or acupuncture may also be covered. Your insurance agent can provide complete details on your health plan’s allowed expenses.

You’ll earn interest on your HSA, and have the convenience of reviewing your account online at [bankforward.com](http://bankforward.com). Your Bank Forward HSA is FDIC insured.

## HSA tax advantages may put more money in your pocket.

- » No “use it or lose it” requirements.
- » Contributions to HSAs are tax-deductible. Before-tax income can be used to fund the account for an employer-sponsored plan.
- » Withdrawals for qualified expenses are tax-free.
- » Funds grow tax-deferred. At age 65, funds can be used for eligible medical expenses or may be withdrawn at the individual’s normal tax rate for other purposes.

Consult your tax advisor for complete information about your own situation.

## Contributions

The maximum contribution amount to a HSA is the statutory maximum for single or family coverage, whichever is applicable. Contributions are allowed through the tax filing deadline (usually April 15 of the following year). Individuals age 55 and older may make “catch-up” contributions of \$1,000.

	Self-Only Coverage		Family Coverage	
	2017	2018	2017	2018
Maximum contribution	\$3,400	\$3,450	\$6,750	\$6,900
Out of pocket maximum	\$6,550	\$6,650	\$13,100	\$13,300
Minimum deductible	\$1,300	\$1,350	\$2,600	\$2,700

## Examples of eligible medical expenses\*

- Abortion
- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limbs or prosthesis
- Artificial teeth
- Bandages
- Birth control pills
- Body scan
- Braille books and magazines
- Breast pumps and supplies
- Breast reconstruction after mastectomy from cancer
- Capital expenses (see Pub 502)
- Car (see Pub 502 for details)
- Chiropractor
- Christian Science practitioner
- Contact lenses and eyeglasses-prescribed
- Crutches
- Dental treatment (X-rays, fillings, braces, extractions, dentures)
- Diagnostic devices
- Disabled dependent care expenses
- Drug addiction treatment
- Eye examinations
- Eye surgery, such as laser eye surgery or radial keratotomy
- Fertility enhancement
- Guide dog or other service animal
- Health Institute prescribed treatment
- Hearing aids
- Health Coverage Tax Credit
- Hospital services
- Insurance premiums including HMOs (see Pub 502 for details)
- Intellectually & developmentally disabled, special home
- Laboratory fees
- Lead-based paint removal
- Legal fees to authorize treatment for mental illness
- Lifetime Care (advance payments)
- Lodging for medical care
- Long-Term care
- Meals during medical care
- Medical Conferences
- Medical Information Plan
- Medicines
- Nursing home
- Nursing services/home care
- Operations
- Osteopath
- Oxygen and oxygen equipment
- Physical Examination
- Pregnancy test kit
- Premium tax credit
- Psychiatric care
- Psychoanalysis
- Psychologist
- Special education for learning disabled caused by mental or physical impairment
- Sterilization
- Stop-smoking programs by prescription
- TDD and TTY telephone equipment and repairs
- Therapy
- Transplants
- Transportation expenses primarily for medical care
- Tuition
- Vasectomy
- Vision Correction surgery
- Weight-loss program for treatment diagnosed by doctor
- Wheelchair
- Wig
- X-rays

## Examples of Ineligible medical expenses\*

- Childcare for normal, healthy babies
- Controlled substances
- Cosmetic surgery
- Dancing lessons
- Diaper service
- Flex spending account
- Funeral expenses
- Future medical care
- Health club dues
- Health coverage tax credit
- Health Savings Accounts
- Household help
- Illegal operations and treatments
- Insurance premiums (see Pub 502 for details)
- Maternity clothes
- Medical Savings Account
- Medicines and drugs from other countries
- Nonprescription drugs and medicines
- Nonprescription drugs except insulin
- Nutritional supplements
- Personal use items
- Premium tax credit
- Swimming lessons
- Teeth whitening
- Veterinary fees
- Weight loss program

## Recordkeeping

You must keep records sufficient to show that

- » The distributions were exclusively to pay or reimburse qualified medical expenses.
- » The qualified medical expenses had not been previously paid or reimbursed from another source.
- » The medical expenses had not been taken as an itemized deduction in any year.

\*Information above is for illustrative purposes only and is not legal, medical or tax advice. Please refer to your own High Deductible Health Plan, Section 213(d) of the Internal Revenue Service Code and IRS Publications 502 *Medical and Dental Expenses (including the Health Coverage Tax Credit)* and 969 *Health Savings Accounts and Other Tax-Favored Health Plans* for more detailed information. IRS forms and information may be accessed by internet at [www.irs.gov](http://www.irs.gov). Consult your tax advisor for complete information about your own situation.