



A Health Savings Account: The Triple Tax Advantage Benefit

Health care expenses are a growing concern for many—and a Discovery Benefits health savings account, or HSA, is an option becoming increasingly available to help workers set money aside. And there are tax benefits of a health savings account as well. In fact, a health savings account offers account owners a triple tax advantage:

- Contributions reduce taxable income.
- Earnings on the account build up tax free.
- Distributions from the account for [HSA qualified expenses](#) aren't subject to taxation.

Eligibility is set by different guidelines specific to this type of account. A health savings account allows those enrolled in high-deductible health plans (HDHPs) to save money tax-free to pay for medical expenses. Unlike a flexible spending account (FSA), a health savings account can be used as an investment account because the funds aren't lost after a certain period of time.

The benefits of an HSA share a lot of similarities with individual retirement accounts (IRAs), such as:

- Allows employees to save and grow money, tax-free.
- Employees can decide how to invest and grow their money.
- HSA funds can be withdrawn anytime for medical expenses.
- After age 65, HSA funds can be used for any purpose, without penalty.
- Deposits can be carried over year-to-year

Here's how an employer-sponsored HSA works:

1. An employer offers a HDHP combined with an HSA.
2. An employee enrolls.
3. Money is deducted from the employee's paycheck to go toward health savings. Employers can also make contributions.
4. The employee manages their own funds and investment options.
5. The health savings account is used to pay for out-of-pocket medical expenses that are [eligible for reimbursement](#).



Contribution Limits

You can contribute up to the annual statutory maximum as long as your health savings account (HSA) is established by December 1 of the calendar year. The maximums are as follows:

2018

- Single HDHP Coverage = \$3,450
- Family HDHP Coverage = \$6,900
- Catch-up Contribution (age 55 by the end of the year) = \$1,000

The contribution deadline is April 15 following the year for which the HSA contributions were made.

The Benefits of HSA Administration with Discovery Benefits

- **Flexibility.** As a leading HSA administrator, Discovery Benefits offers participants a number of convenient payment options for their health savings expenses. Submit a pay-the-provider request online and payment is sent directly to the healthcare provider within 2-3 business days. Or select the Claims Sync option and easily monitor your incoming insurance claims; find one that needs payment and simply click submit. The Benefits Debit Card is available at your fingertips as well for point-of-service payment.
- **One Card.** Everyone is looking for simple. One of the benefits of opening an account with Discovery Benefits is that we use the same Benefits Debit Card for all products. Participants enrolled in multiple plans like that the process is streamlined and they can use the same card. The card's technology ensures the correct balance is pulled when they run their card. Need to order more cards for your spouse or child? No problem, and no charge.
- **Integration.** Discovery Benefits understands strong integrations with our clients' other partners saves everyone time and stress in the set-up process and on-going administration of our products. Discovery Benefits has become a true industry leader in HSA administration as a leading HSA provider with the ability to integrate with our clients' platforms and technologies.

Your Steps to Success (It doesn't get much easier than this.)

- Create your health savings account and log in
 - Set up direct deposit
 - Order additional debit cards for your spouse or dependents (at no cost!)
 - Need help determining how much to set aside? No problem, check out our HSA calculator [here!](#)
- Download the free Discovery Benefits [mobile app](#)
 - Manage your health savings on your own time