

Key Components of a Health Saving Account (HSA)

- *Employee and employer contributions are tax deductible
- *Employer and/or employee can contribute to HSA
- *Account is 100% owned by the employee even if the employer makes contribution
- *Account is 100% portable for the employee
- *Contributions are deposited in an non-taxable, interest bearing account
- *Maximum annual contribution for **individual is \$3,050.00**
- *Maximum annual contribution for **family coverage is \$6,150.00** (any coverage other than individual)
- *Withdrawals from the account that are used to pay for or reimburse Qualified medical expenses are not taxable for federal income tax
- *Full annual contribution can be made no matter when the effective date of the plan may be
- *Individual may make a one-time transfer of IRA funds to their HSA, not to exceed their annual maximum.
- *Eligible medical expenses IRS Publication 502 defines qualified medical expenses. Please keep in mind that this list is not fully inclusive.

Effective January 01, 2011 – Account holders are required to obtain a physician prescription if purchasing over-the-counter drugs, to be considered an eligible reimbursement expense against an HSA. This change impacts over-the-counter items falling under the following categories:

Allergy & Sinus	Cold & Flu	Pain Relief
Respiratory Treatments	Sleep Aids	Stomach Remedies

Although it may not be needed at the time of purchase, it is recommended that HSA account holders keep prescriptions along with receipts in their records in case they are ever audited.

HSA Eligible Medical Expenses may include, but are not limited to:

- Acupuncture
- Alcohol and drug rehabilitation
- Ambulance
- Anesthetist
- Artificial limbs and teeth
- Birth control pills
- Certain corrective surgery
- Chiropractor
- Christian Science practitioners
- Dental care
- Eye exam, eyeglasses, contact lenses, contact lens solutions and enzyme
- Gynecologist
- Hearing aids and batteries
- Hospital and skilled nursing facility
- Insulin
- Laboratory fees
- Laser Eye Surgery
- Lip-reading lessons
- Massage for Medical Reasons*
- Medical Examinations
- Midwife
- Nursing care
- Obstetrics
- Optometrist
- Orthodontia expenses as treatment is provided
- Osteopath
- Outpatient care
- Pediatrician
- Physical therapy provided by licensed therapist
- Physician
- Podiatrist
- Practical nurse
- Prescription drugs and some over the counter medicines
- Psychiatrist
- Psychologist
- Rental or purchase of medical equipment
- Stop-smoking program
- Supportive or corrective devices
- Surgery
- Transportation expenses relative to illness based on IRS standard mileage allowance
- Weight loss program for obesity

For more detailed information please refer to IRS Publication 502 Titled (Medical & Dental Expenses)