

# HEALTH SAVINGS ACCOUNTS



**EASTERN  
COLORADO  
BANK**

By establishing a Health Savings Account (HSA), in conjunction with a high deductible health plan (HDHP) you are taking healthcare savings back into your own hands. Make the decisions that are right for you by taking advantage of the following benefits:

## **Tax-Free Benefits**

HSAs allow you to make deductible contributions and accumulate earnings tax free. The distributions are also tax free as long as they are used for qualified medical expenses.

## **Flexibility in Spending**

HSAs are used to pay for or reimburse qualified medical expenses, such as health insurance deductibles and co-payments.

## **Year-to-Year Savings**

HSAs do not have a “use it or lose it” clause. HSA balances automatically roll over from year to year, allowing you to budget for health expenses and build up savings to cover qualified medical expenses when the need arises.

## **Individual Ownership**

An HSA is owned by you and is your responsibility to maintain.

## **Contribution Options**

Although this is an individual account that you may contribute to and goes with you from career to career, your employer may choose to make contributions to an HSA as an added benefit to you.

Contribution Limits			
Tax Year	Standard Limit		Additional Catch-up Contribution Amount
	Self-Only	Family	
2021	\$3,600.00	\$7,200.00	\$1,000.00
2022	\$3,650.00	\$7,300.00	\$1,000.00
2023 and later	Subject to COLAs*	Subject to COLAs*	\$1,000.00

\*Subject to cost-of-living adjustments (COLAs)



You may take a once-in-a-lifetime tax-free distribution from an IRA to fund an HSA.

The maximum annual contribution amount is the standard limit.

Additionally, you are eligible for a “catch-up” contribution if you are age 55 or older by the end of your taxable year and have not enrolled in Medicare.

# How HEALTH SAVINGS ACCOUNTS

compare with other  
medical savings plans

	Health Savings Account	Flexible Spending Account
Who is eligible?	Individuals covered under a qualified high deductible health plan (HDHP)	Any employee, subject to employer-designated exclusions
Are unused amounts carried over to the next year?	Yes	Generally No
Are earnings withdrawn tax free?	Yes*	N/A
What is/are the contribution sources(s)?	Individual and/or employer	Individual Only
Is there a catchup contribution provision?	Yes	No

\* For qualified withdrawals