

**Optum** Financial<sup>®</sup>

# Health benefit account options Local Education Local Government

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ABC Presentations 9/12/2023

**PARTNERS  
FOR HEALTH**



# Let's learn about Health Savings Accounts (HSAs)

# What is an HSA?

A health savings account, or HSA, is an account that saves you money by letting you use income tax-free dollars to pay for qualified medical, dental and vision expenses



**Sign up** during enrollment. HSAs are compatible with a qualifying high deductible health plan.

"The State of Tennessee's Local CDHP for local education and local government employees qualifies as a high deductible health plan."

**Contribute income-tax free money** to your account –up to IRS limits – and adjust at any time during the year.

**Spend** your HSA dollars on hundreds of items – like glasses, Rx refills and doctor visits.

**Earn** potential interest on your balance. Choose to invest HSA funds for potential added growth, after meeting minimum balance.

**Balances carry over** from year-to-year, to new jobs, and into retirement.



An HSA is designed to help you save money for use today or later



## How do I know if I'm eligible for an HSA?

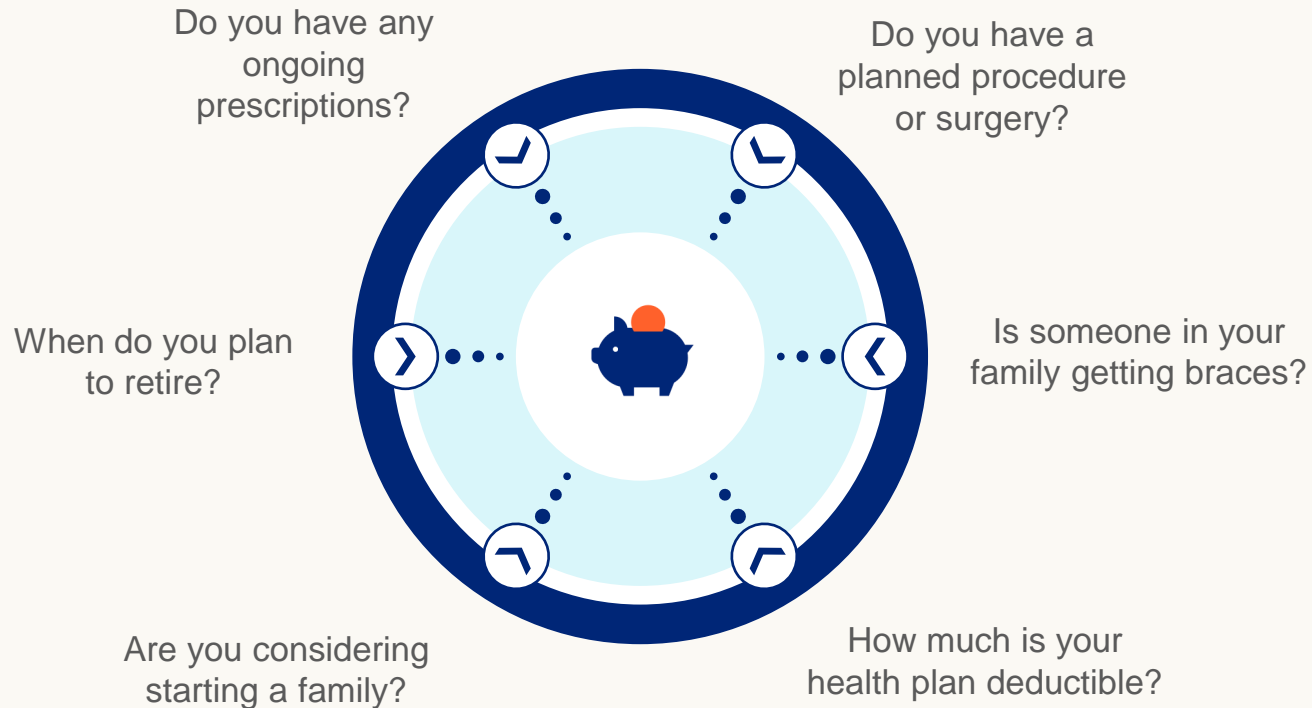
Most people covered under a qualifying consumer-driven health plan are eligible. Here are a few more IRS requirements.



- You are not covered by any other health plan that is not an CDHP
- You are not enrolled in Medicare, TRICARE or TRICARE for Life
- You haven't received Veterans Affairs benefits within the past three months, except for preventive care; if you have a disability rating from the Veterans Affairs, this exclusion doesn't apply
- You can't be claimed as a dependent on someone else's tax return
- You do not have a health care flexible spending account (FSA) or health reimbursement arrangement (HRA) alternative plan designs
- Other restrictions and exceptions may also apply. We recommend that you consult a tax, legal or financial advisor to discuss your personal circumstances

# How much should I contribute? How much can I contribute?

## Things to consider when choosing your contribution amount



### 2023 Limits

Individual: \$3,850  
Family: \$7,750

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### 2024 Limits

Individual: \$4,150  
Family: \$8,300

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When you are 55 or older, and not enrolled in Medicare, you can fund an additional **\$1,000 each year**, called a catch-up contribution.

If your employer contributes to your HSA, that counts towards the limits.

# Investing in your HSA

Options for every type of investor



Mutual funds – *if you'd like to choose from a pre-selected list of mutual funds*

- A diverse variety of mutual funds
- Twelve Vanguard funds selected by the state of Tennessee
- Low expense ratios
- You can start investing when your balance is \$1,100

The earlier you start, the more potential you have to grow your savings

Example:

- \$3,000 per year contribution
- \$1,500 per year used for eligible medical expenses
- 7% average rate of investment earnings with all earnings reinvested

## Savings potential

Starting Age	HSA Value at age 65*
25	\$320,420
35	\$151,613
45	\$65,799
55	\$22,176

Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

*Account holders must meet the minimum balance to begin investing, this amount may vary, check your online account or plan documents.*

*\*Hypothetical example for illustrative purposes only. Amounts will vary depending on your unique circumstances.*

# What's covered under an HSA?

Save on out-of-pocket costs head to toe



Acupuncture



Chiropractic care



Eye exams, glasses, & contacts



Flu shots



Nursing services



Orthodontia (non cosmetic)



Physical exam



Physical therapy



Prescription drugs & refills



Psychiatric care



Sunscreen, SPF 15+



Wheelchair, walkers, crutches and canes

Use the Qualified Medical Expense Tool on [optumbank.com/tennessee](https://optumbank.com/tennessee) to see if your specific expense qualifies for reimbursement

# How can I access my account?



## Online portal

- Make deposits
- Pay bills
- Reimburse yourself
- Manage your investment activity



## Mobile app

- Pay bills, track payments and reimburse yourself
- Search for qualified medical expenses
- Capture and submit receipts
- Easily deposit funds
- Calculate your contributions
- Update your beneficiary



## Payment card

- Pay the easier way at the doctor's office, chiropractor or pharmacy
- Use your card to pay for qualified medical expenses online
- Order additional cards for family members covered under your plan



**It's easy to check  
account information and  
reimburse yourself**



## Accountholder contact information



### Call

**Optum Customer Care**

**866-600-4984**

**24/7 except major holidays**



### Email

**[service.tennessee@optum.com](mailto:service.tennessee@optum.com)**



### Visit

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# Q&A

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