HOW CAN I PAY FOR CARE AND SAVE ON TAXES?

A plan that includes a **health savings account** (HSA) can help you do both. Plans with this type of account will have "HSA" in the name shown at the top of the **benefit summary**.

How it works:

1 SET UP
Depending on your plan, either you or your employer will set up your HSA.

2 DEPOSIT
You'll put money into the account, usually by having money taken out of your paycheck. Or, someone else (like your employer or a relative) can put money into your account.

3 SPEND
You decide when to spend the money – there's no "use it or lose it" rule. If you want your balance to keep growing, you can pay for health care expenses with other money instead.

4 EARN
Some HSAs earn interest and can be invested. Any money you earn is tax free, as long as you spend it on approved expenses.

5 OWN
You own all the money in your HSA. If you change jobs, you can take it with you. If you die with money in your account, it goes to your designated beneficiary.

Things to keep in mind:

HSAs can help you save on taxes. Learn more in Publication 969 on **irs.gov**.

There are limits on how much you can put into your HSA each year. See the tip sheet at **medica.com/membertips** for more information.

The IRS determines what expenses can be paid for using an HSA. You'll find the list in Publication 502 on **irs.gov**.

If you use your account for something other than an IRS-approved expense, you'll pay income taxes on the amount, plus a 20% tax penalty.

After you turn 65, you can use your HSA for any type of expense without the penalty. But you will pay taxes on money used for non-health care expenses.

To learn more about health savings accounts, see the tip sheet at **medica.com/membertips**.

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