

# Why a Health Savings Account May Be Perfect for You



Take control of your health care spending by taking advantage of this valuable savings tool! Here are just a few reasons why millions of people use HSAs to help manage their health care costs.

- You choose how to use your funds to pay for qualified health care services
- It goes where you go, even if you change employers
- Account balances roll over from year to year so unused funds are always yours, even when you retire
- You can use it to pay for health care services and products including ancillary services — such as dental care — that may not be covered by your HDHP
- Account funds can be used for health-improvement activities such as weight loss and stop-smoking programs
- You get triple-tax savings. Your contributions are tax-deductible, withdrawals are tax-free when used to pay for qualified medical expenses, and investment earnings are always tax-exempt.
- Savings are available to spouses and dependents covered by your Independence Blue Cross health plan
- Your money may grow. Health savings account investment choices include a wide range of savings and investment options.
- It's convenient. You get a debit card for easy access to your funds, and everything you need to manage your HSA is in one location at your Independence Blue Cross member website: [ibxpress.com](http://ibxpress.com)

## Start Contributing and Start Saving!

One of the significant advantages of your HSA is that your contributions roll over from year to year. If you don't use the funds to pay for medical expenses, the money remains in your account and has the potential to earn interest through a variety of savings and investment choices.

Let's assume your tax bracket is 15%, state taxes are 3%, and that your investment choices yield an interest rate of 2%. If you contribute \$2,000 to your HSA each year for 10 years and use \$1,000 each year to pay for qualified medical expenses, you could save over \$3,800 in taxes and benefit from almost \$1,000 in account earnings.



## A Health Savings Account: Consider the Advantages

Since you already have a high-deductible health plan, adding an HSA may be a good choice for you because of the significant advantages it can bring to managing and saving for your health care expenses:

- A tax-advantaged way to pay for qualified medical expenses
- Growth potential that may help you save for medical costs you may have in the future, including in retirement
- More control over your health care spending, including the ability to pay for qualified medical expenses not covered by your high-deductible health plan

For more information about the features and benefits of HSAs, or for help deciding if an HSA is right for you, visit us at [www.ibx.com](http://www.ibx.com) or call 1-800-ASK-BLUE (1-800-275-2583).



## Establishing an HSA lets you:

- Pay for your out-of-pocket medical expenses
- Save money in your HSA for future qualified medical expenses



# BlueSaver<sup>SM</sup> Health Account Solutions: Health Savings Account

Savings for today and tomorrow

Independence 

Independence Blue Cross is an independent licensee of the Blue Cross and Blue Shield Association.

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# Putting You in Control of Your Health Care Costs

Your qualified high-deductible health plan comes with a powerful savings tool — a Health Savings Account, or HSA.

An HSA is tax-advantaged account similar to an IRA (Individual Retirement Account). It works alongside your high-deductible health plan (HDHP) and can be used to pay for eligible health care expenses before you reach your deductible and for copayments afterwards. This combination of savings and insurance gives you both the **benefits of traditional health care coverage** along with an **effective way to help you manage your health care costs**.

In addition to using your HSA to pay for health care expenses before you reach your health plan deductible or for copayments, you can also **use it to pay for other qualified medical expenses like acupuncture, chiropractic care, and dental care**. You can even use account funds to improve your health by joining a weight loss or stop-smoking program.

Adding an HSA to your high-deductible health plan creates a winning combination. You benefit financially and have more control of your health care costs at the same time.

## Understanding Your Health Savings Account

You contribute to your health savings account through payroll deduction, check, or online transfer. Your **contributions are tax-deductible** and **withdrawals are tax-free** when used to pay for qualified medical expenses. **Interest and earnings are also tax-free**. You can even use your HSA as an investment to help cover health care costs in your retirement years.

According to federal regulations regarding HSAs, you need to have a qualified high-deductible health plan in order to be able to open a health savings account.



### Now and in the Future

Establishing an HSA lets you:

- Pay for your qualified out-of-pocket medical expenses until you meet your deductible as well as for copayments
- Pay for other qualified medical expenses not covered by your plan
- Save money for future qualified medical expenses

### Learn More about Qualified Medical Expenses

You can review a complete list of qualified medical services and products you can purchase through your BlueSaver HSA by visiting [ibx.com](http://ibx.com)

## How Does Your BlueSaver HSA Work?

With an HDHP, the amount you contribute to the cost of your health plan is lower and your deductible higher. With an HSA you can:

- Use the money you save to make tax-deductible HSA contributions
- Take tax-free withdrawals to pay for qualified medical expenses to meet your deductible and to pay for other qualified medical expenses
- Save for future health care expenses



## How to Open Your Account

Your HSA is integrated with your high-deductible health plan, so **managing your account is simple and straightforward**. If your employer has not chosen to automatically enroll you in the HSA, you can activate your account by logging onto [ibxpress.com](http://ibxpress.com). Select the **Your Spending** tab and click on **Start a Health Savings Account and Save!** You will then be able to check your account balance, make and view deposits, pay health care providers directly, and review transactions.

## How to Fund Your Account

You contribute to your account through payroll deduction, check, or online transfer.

The U.S. Department of the Treasury sets annual limits on how much you can contribute to your account. For 2014, the maximum contribution is \$3,300 for an individual and \$6,550 for a family. If you are 55 or older, you may also be able to make a catch-up contribution of up to \$1,000.

Limits are published each year in Internal Revenue Service (IRS) publication 969 *Health Savings Accounts and Other Tax-Favored Health Plans*. You can obtain this document via a link at [ibx.com](http://ibx.com).



### With your BlueSaver HSA, you get triple-tax savings!

- Tax-deductible contributions
- Tax-free withdrawals to pay for qualified medical expenses
- Interest and earnings are always tax-exempt

Three convenient ways to fund your account

## How to Manage Your Account

Everything you need to manage your HSA is at [ibxpress.com](http://ibxpress.com). So in one convenient, central location you can:

- Reimburse yourself or pay health care providers directly
- Enter claims online and even submit your receipts electronically to save time
- Check the status of a claim
- Sign up to receive email notifications when claims are paid or denied, or when substantiation is required
- View deposits, transactions, and claims
- Track your health care costs
- Learn more about typical health care costs by using online health-education tools
- Make direct contributions through online transfer

## How to Invest in Your Account

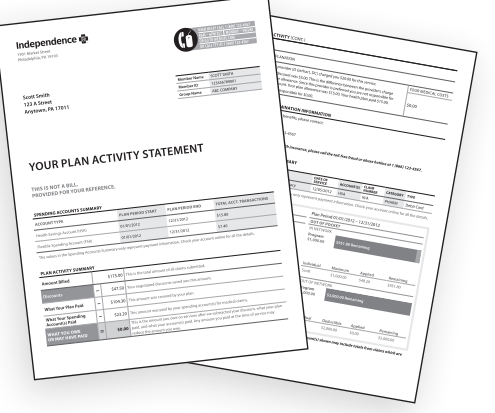
If you're like many people with an HSA, you want to maximize your savings year after year. Health savings account investment choices include a wide range of savings and investment options. The choices are up to you.

## An Added Convenience — Your Personal Health Care Visa® Debit Card!

Using your BlueSaver HSA to pay for health care services is easy! When you enroll in your HSA, you will receive a Visa debit card to be used exclusively for purchases at:

- Doctor and dentist offices
- Pharmacies
- Discount chains and club stores
- Other merchants who sell health care products and services and accept Visa cards

*The information in this brochure is not intended to provide legal or tax advice. You should consult with your own legal and/or tax advisor regarding the tax advantages of a spending account.*



Straightforward and easy-to-read plan activity statement



Paying for expenses is easy with your personal health care debit card