



# HEALTH SAVINGS ACCOUNT—ASI FLEX

A Health Savings Account (HSA) is a type of savings account available to enrollees of Qualified High Deductible Health Plans (QHDHP), like the Healthy Savings Plan option offered by Koss Construction Company, that allows employees to pay for current out-of-pocket health expenses (such as office visits, prescriptions, and dental and vision expenses) and also save for future qualified medical and retiree health expenses on a tax-free basis. It's individually owned by you, and you have access to the money at any time, even if you change health plans or leave Koss Construction Company. Unlike Flexible Spending Accounts, the money rolls over each year, and it's not "use or lose." You determine how much you will contribute to your account; when to use your money to pay for eligible medical expenses, now or in the future; and when to reimburse yourself. Your HSA can be used for your expenses and those of your spouse and dependents, even if they are not covered by Koss's Medical plan.

For employees electing the Healthy Savings Plan for the first time during Open Enrollment, Koss Construction will provide a one-time \$500 contribution if you are enrolled in single coverage, or \$1,000 if you elect to cover dependents. This will occur in January 2020. This can lower the amount of money you need to pay out of pocket to fulfill your deductible, or it can be saved for future medical expenses.

Eligible medical expenses are defined by the IRS. These expenses include such things as deductibles, coinsurance, prescription drugs, dental and vision expenses, and lab tests. IRS Publication 502 provides a complete list of eligible expenses. Visit [www.irs.gov](http://www.irs.gov).

## HSA Contribution 2020 Limits

Single	\$3,550
Family	\$7,100
Catch-Up (for ages 55 or older)	\$1,000

**Reminder**

If you enroll in the Healthy Savings Plan with an HSA, you may NOT enroll in the Healthcare FSA. If you enroll in the Silver or Bronze plan, you may NOT enroll in the HSA.

## Tax Advantages With an HSA

There are four ways to maximize your tax savings:

- Contributions made to the HSA through payroll deductions are tax-free.
- The money in this account grows tax-free (including interest and investment earnings).
- Your taxable income is reduced by contributions to the account on a pre-tax basis.
- You can spend your funds tax-free as long as you spend them on qualified medical expenses.

