



HSA Central



MISSOURI CHAMBER
OF COMMERCE AND INDUSTRY

Health Savings Account Webinar

Missouri Chamber Partnership **MISSOURI CHAMBER** OF COMMERCE AND INDUSTRY

In May of 2021, Central Bank and the Missouri Chamber partnered to allow for the Missouri Chamber High Deductible Health Plans (HDHP) to include the Health Savings Account as a part of the plan benefits.

Throughout this last year, employers on the Missouri Chamber HDHP plans provided their employees with access to the tax-advantaged HSA at no additional cost.

What is a Health Savings Account (HSA)?

Tax-advantaged savings account designated for qualified medical expenses



2023 Contribution Limits

Individual:
\$3,850

Family: \$7,750

2024 Contribution Limits

Individual:
\$4,150

Family: \$8,300

Contributions can be made up until the tax filing deadline, usually April 15th, each year.

- Individual account – not a joint account
- Funds rollover from year to year regardless of job or insurance change
- Catch-up contribution: \$1,000/year for those age 55 and over



Eligibility Requirements

- Covered by a qualified High Deductible Health Plan (HDHP)

CBP MEWA PPO 2900/0%/4500 w/HSA Plan 1	CBP MEWA PPO 3500/0%/6550 w/HSA Plan 2
CBP MEWA PPO 2800/20%/5400 w/HSA Plan 3	CBP MEWA PPO 5000/20%/6550 w/HSA Plan 4

Missouri Chamber High Deductible Health plans automatically provide your employees with their own HSA.



To learn more, visit HSAcentral.net/MOChamber



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Eligibility Requirements

- No other health coverage that is not an HDHP
- Permitted insurance exceptions include accident, disability, vision, dental, long-term care, specific disease
- Not enrolled in Medicare
- Not claimed as a dependent on another's tax return

HSA

Health Savings Account



VS

FSA

Flexible Spending Account

Control

Owned by the employee



Control

Owned by the employer

Funding

Employer and/or employee funded



Funding

Employer and/or employee funded

Contribution limits

\$3,650 single
\$7,300 Family



Contribution limits

Medical FSAs: \$2,850
Dependent care FSAs: \$5,000

Health plan eligibility

Must be enrolled in a high-deductible health plan



Health plan eligibility

Must be offered a group health plan by employer

Fund availability

As they're contributed



Fund availability

Medical FSAs:
On first day of plan year
Dependent care FSAs:
As they're contributed

Tax savings

Distributions for eligible expenses, investment returns and contributions are tax-free



Tax savings

Distributions for eligible expenses and contributions are tax-free

Carryover

All funds carry over to the next plan year



Carryover

Employers can allow up to a \$550 carryover of medical FSA funds; dependent care FSAs can't have a carryover

Investment capability

Yes



Investment capability

No

Health Savings Account (HSA) vs. Flexible Spending Account (FSA)

- HSA Individual does not have to spend contributions
- HSA Funds belong to individual and accumulate from year to year
- There are no claims to file with an HSA
 - Use debit card or pay medical bills online
 - Save receipts for audit purposes
- HSA earns interest
- HSA can be invested for long-term

Contributing to an HSA

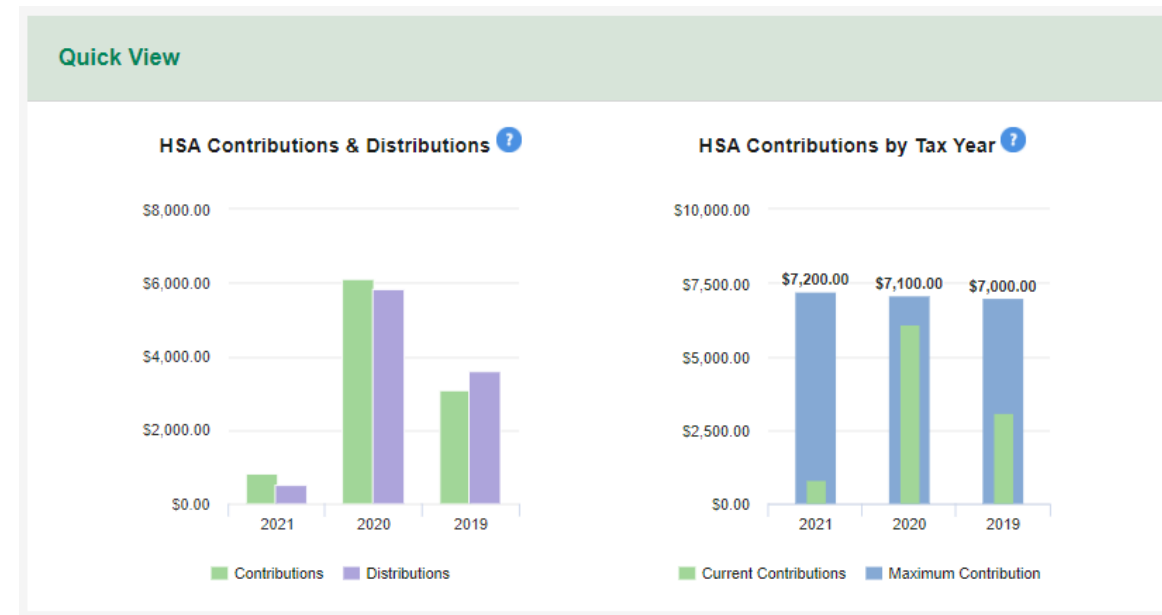
- **Payroll deduction (automatic withdrawal)**
 - Provides immediate tax benefit
 - Lowers wage amount before FICA and other state and federal taxes are figured

- **Individual contribution**

- Provides tax time benefit
- Deduct contributions on your tax return
- Contributions can be made in branch, by mail, or online banking

- **IRA Rollover**

- IRS allows a one-time rollover up to the contribution limit from an IRA to an HSA

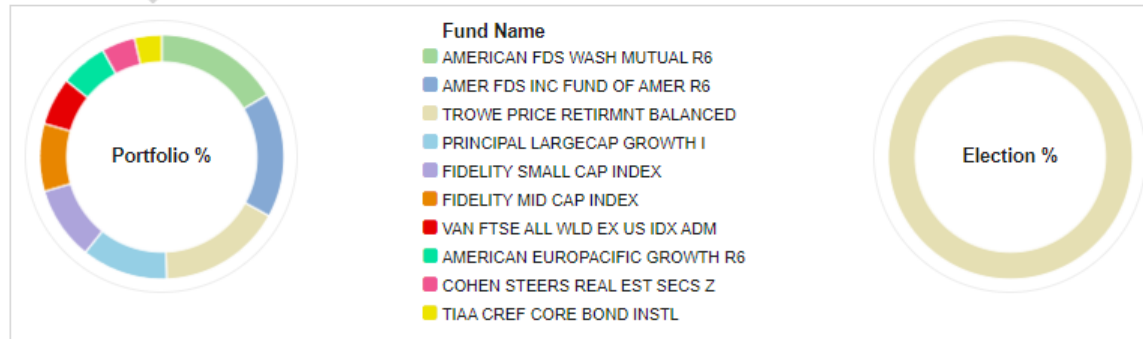


Growing HSA Funds- Investments

Investments / Summary

Investment Transfer Threshold:\$3,000.00

Current Balance As of 05/17/2021 \$15,236.73	=	Beginning Balance As of 02/18/2021 \$12,259.31	+	Recent Activity As of 05/17/2021 \$2,977.42 View Details	Rate of Return 02/18/2021 - 05/17/2021 3.49%▲ View Details
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FUND NAME ↕	PORTFOLIO ?	ELECTION ?	BEGINNING BALANCE	PRICE	UNITS	ENDING BALANCE
AMER FDS INC FUND OF AMER R6	16.49%	n/a	\$2,314.79	\$25.99	96.694	\$2,513.08
AMERICAN EUROPACIFIC GROWTH R6	6.23%	n/a	\$1,038.31	\$70.61	13.440	\$949.00
AMERICAN FDS WASH MUTUAL R6	16.51%	n/a	\$2,256.46	\$57.68	43.602	\$2,514.96
COHEN STEERS REAL EST SECS Z	4.43%	n/a	\$589.25	\$18.66	36.202	\$675.53
FIDELITY MID CAP INDEX	8.95%	n/a	\$1,277.42	\$30.48	44.735	\$1,363.52

- HSA funds can be invested to grow for the future while still being available for current expenses.
- Online Investment Management
- Work with an Investment Advisor



Triple Tax Advantage

Funds in your HSA can be used even after you are no longer covered by an eligible HDHP.

1 Contributions reduce taxable income

2 Earnings on the account build tax-free

3 Use tax-free for eligible expenses

Triple-Tax Benefit of HSAs

		Money In	Gains	Money Out
Health/ Retirement	Health Savings Account (HSA)	Not Taxed*	Not Taxed**	Not Taxed***
	Traditional IRA	Not Taxed	Not Taxed	Taxed
Retirement	Roth IRA	Taxed	Not Taxed	Not Taxed
	401 (k)	Not Taxed	Not Taxed	Taxed

*Except in California, New Hampshire, and New Jersey

**Except in Alabama, California, and New Jersey

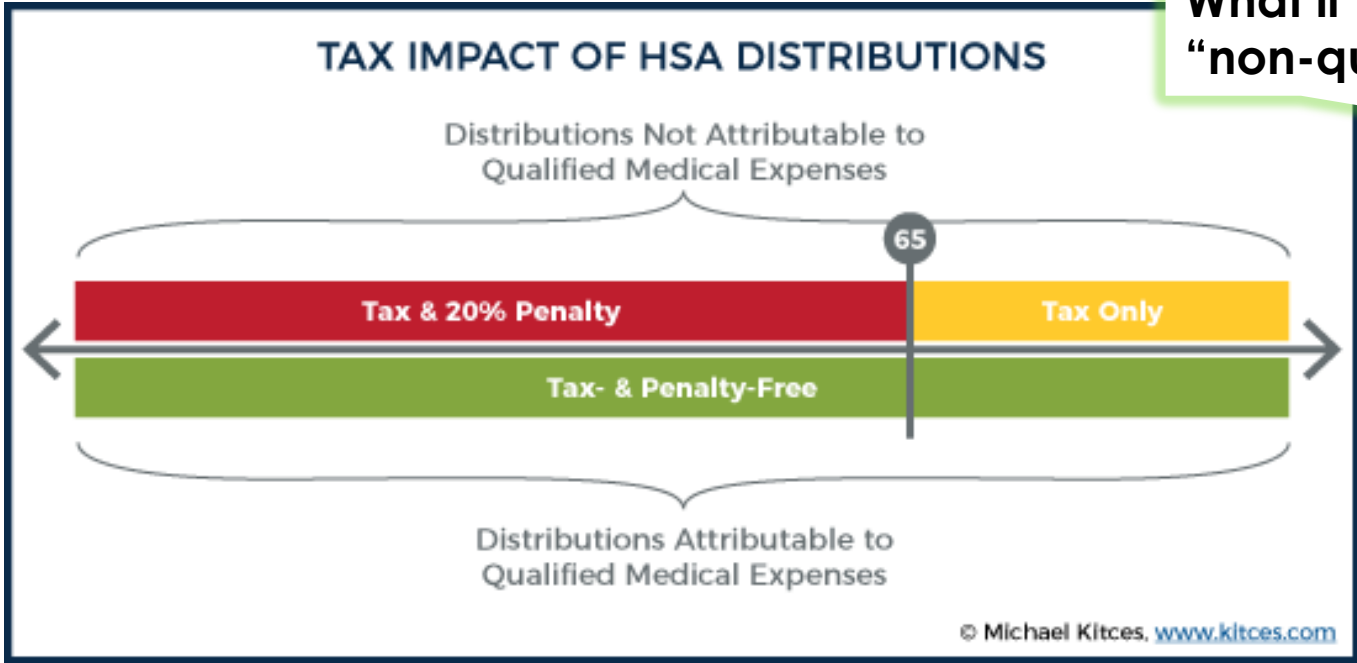
***If used for qualified medical expenses

Triple-Tax Benefit of HSAs



*Except in California, New Hampshire, and New Jersey
**Except in Alabama, California, and New Jersey
***If used for qualified medical expenses

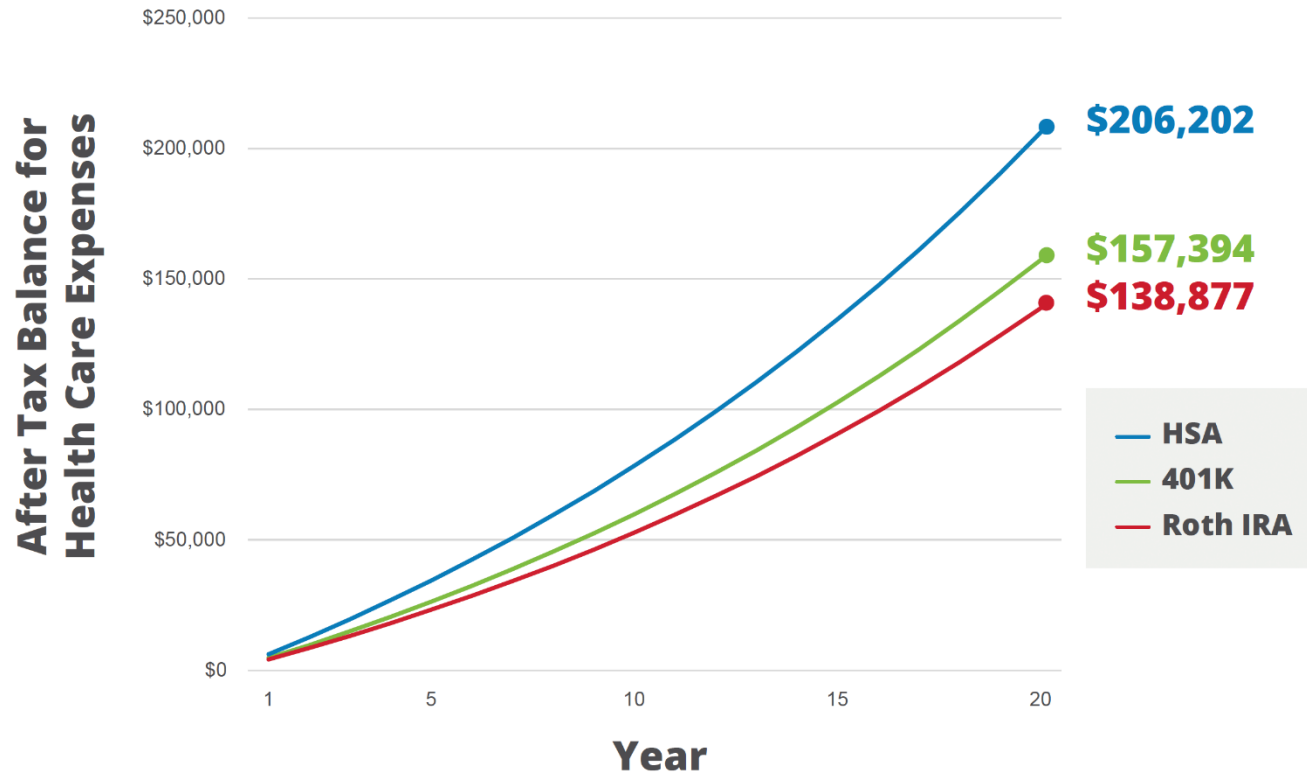
What if I spend HSA funds on “non-qualified” expenses?



HSA vs 401(k) and IRA

Jane is married with two kids and is preparing for retirement by participating in an HSA, 401(k), and IRA.

- \$4,000 is contributed annually into each of these accounts: her family HSA, 401(k), and IRA.
- She invests her HSA funds. The return-on-investment for each account is 5% annually.
- Her combined federal and state tax rate is 25%, and her tax rate at the time she distributes funds is 15%.



That's a 31% increase in healthcare purchasing power with an HSA after 20 years when compared to a 401(k) or IRA. So what happened?

- 401(k) and IRA contributions are subject to FICA taxes (7.65%), while HSA contributions are not.
- 401(k) & IRA, funds are taxed either when contributed or withdrawn.
- HSA funds are not taxed when contributed or withdrawn, as long as the purchases are for eligible healthcare expenses

HSA Eligible Expenses

- HSA eligible expenses include medical, vision, dental, as well as HDHP covered expenses
- Expenses incurred before establishing an HSA are not qualified medical expenses

Laura established an HSA in July, but incurred medical expenses in May. The expenses incurred in May, before she established her HSA, are not qualified medical expenses for purposes of her HSA



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Over-the-Counter Health Care Products

Health Savings Account Eligible Drugs and Medicines without a Prescription

Over-the-Counter (OTC) drugs and medicines without a prescription are now eligible to be covered by Health Savings Account (HSA) expenses. This permanent change is due to the CARES Act (H.R. 748) and is effective for expenses incurred on or after January 1, 2020.

Examples of Over-the-Counter Health Care Products, Drugs and Medicines Eligible without a Prescription

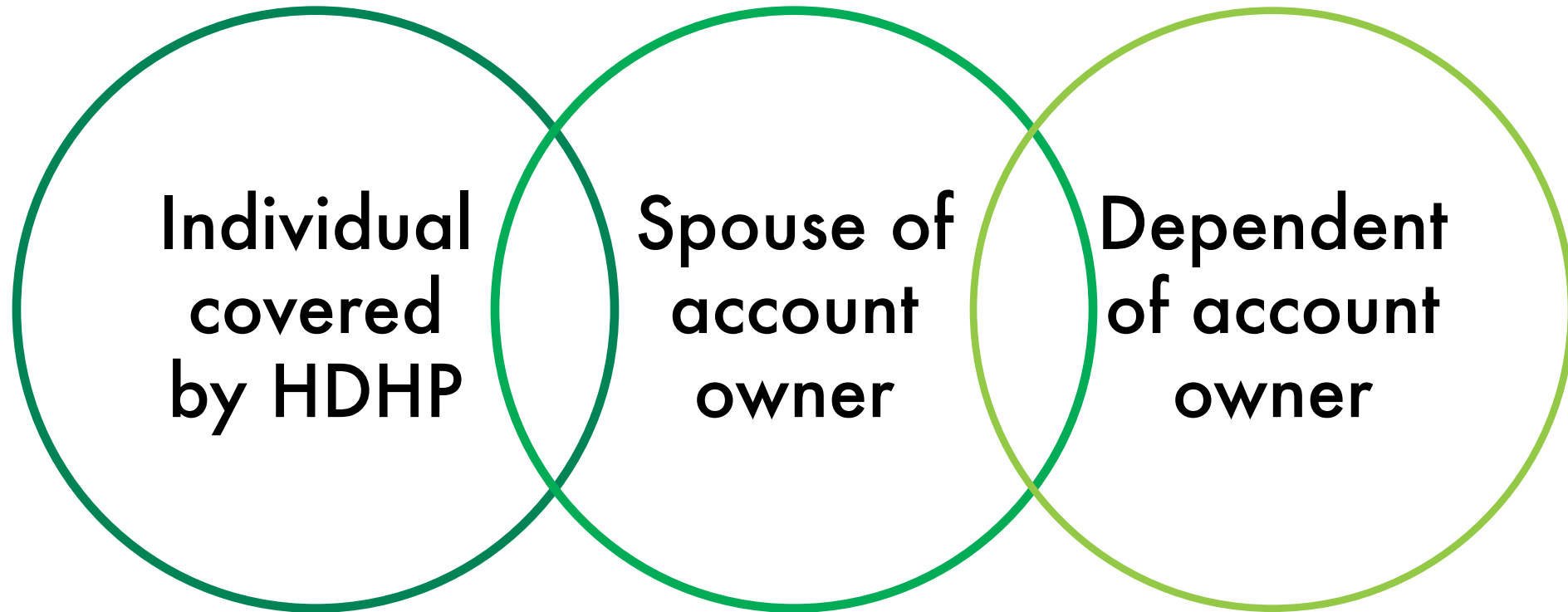
General OTC Health Care Products

- Athletic braces and supports
- Baby monitors, thermometers, nasal aspirators
- Bandages, tape, gauze and pads
- Birth control, pregnancy and fertility kits
- Breast pumps and accessories
- Blood pressure monitor
- Contact lens solutions, cases, and rewetting eye drops
- Denture adhesives and cleansers
- Diabetic monitors, test strips, and insulin
- Eye glass and lens cleaner, reading glasses
- First aid kits, first aid treatments, and supplies
- Glucosamine supplements and glucose tablets
- Hearing aid batteries
- Home medical equipment
- Heating pads, hot and cold packs
- Home diagnostic kits, tests, and devices
- Incontinence products, catheters, and ostomy supplies
- Medical monitors and testing devices
- Menstrual care products
- Motion sickness aids and wristbands
- Orthopedic and surgical supports
- Pill boxes, cutters, sorters and organizers
- Prenatal vitamins
- Shoe insoles and inserts
- Sunscreen and lip balm SPF 15+ and broad spectrum
- Thermometers, vaporizers and inhalers
- Walking aids, canes, crutches, and wheelchairs

OTC Drugs and Medicine

- Acne treatments
- Allergy medicine
- Antacids and acid controllers
- Anti-fungal treatments
- Anti-itch treatments
- Antiparasitic and lice treatment
- Aspirin and baby aspirin
- Callus and corn removers
- Chest rubs
- Children's cold and allergy medicines
- Cold sore treatments
- Cough drops and spray
- Cough, cold and flu medicine
- Diaper rash cream
- Ear drops and wax removers
- External pain relievers
- Eye drops
- Fever and pain relievers
- Hemorrhoidal treatments
- Laxatives
- Nasal spray
- Nicotine gum and patches
- Oral pain relievers
- Pain relieving creams and pads
- Sleep aids
- Stomach and digestive aids
- Topical skin treatment
- Wart removers

HSA Distributions



- Funds can be used to also cover eligible medical expenses of a spouse and dependents, regardless of if they are covered by the HDHP.
- If spouse has a traditional health plan, he/she cannot be enrolled in a Flexible Spending Account (FSA) if you have an HSA.

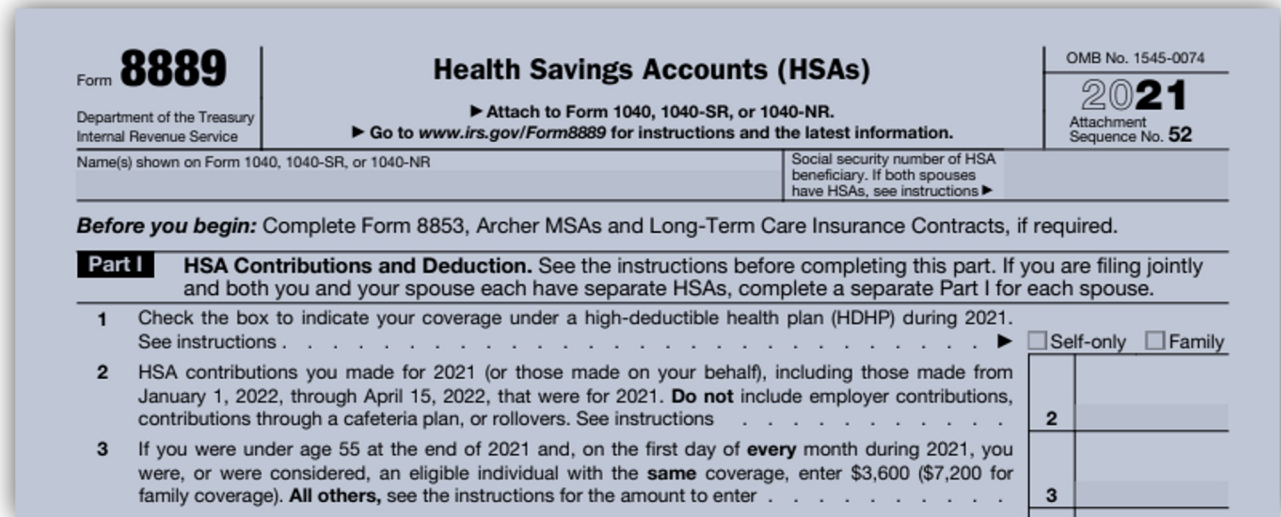
Distributing/Using HSA Funds



- HSA Central Debit Mastercard®
- Online Consumer Portal or Mobile App
 - Funds Transfer
 - Bill Pay – pay yourself or a provider
- Eligible Expense Scanner

Tax Documents & IRS Reporting

- Tax Forms
 - 5498-SA: reports contributions
 - 1099-SA: reports distributions
- Previous year contributions can be made until the tax filing deadlines (usually April 15)
- These forms along with the W-2 are used in filing your taxes
- When filing taxes, [Form 8889](#) is completed with Form 1040 to report contribution/distribution activity in Health Savings Account(s).



Form **8889** Health Savings Accounts (HSAs) OMB No. 1545-0074
Department of the Treasury Internal Revenue Service
▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Form8889 for instructions and the latest information.
2021 Attachment Sequence No. 52

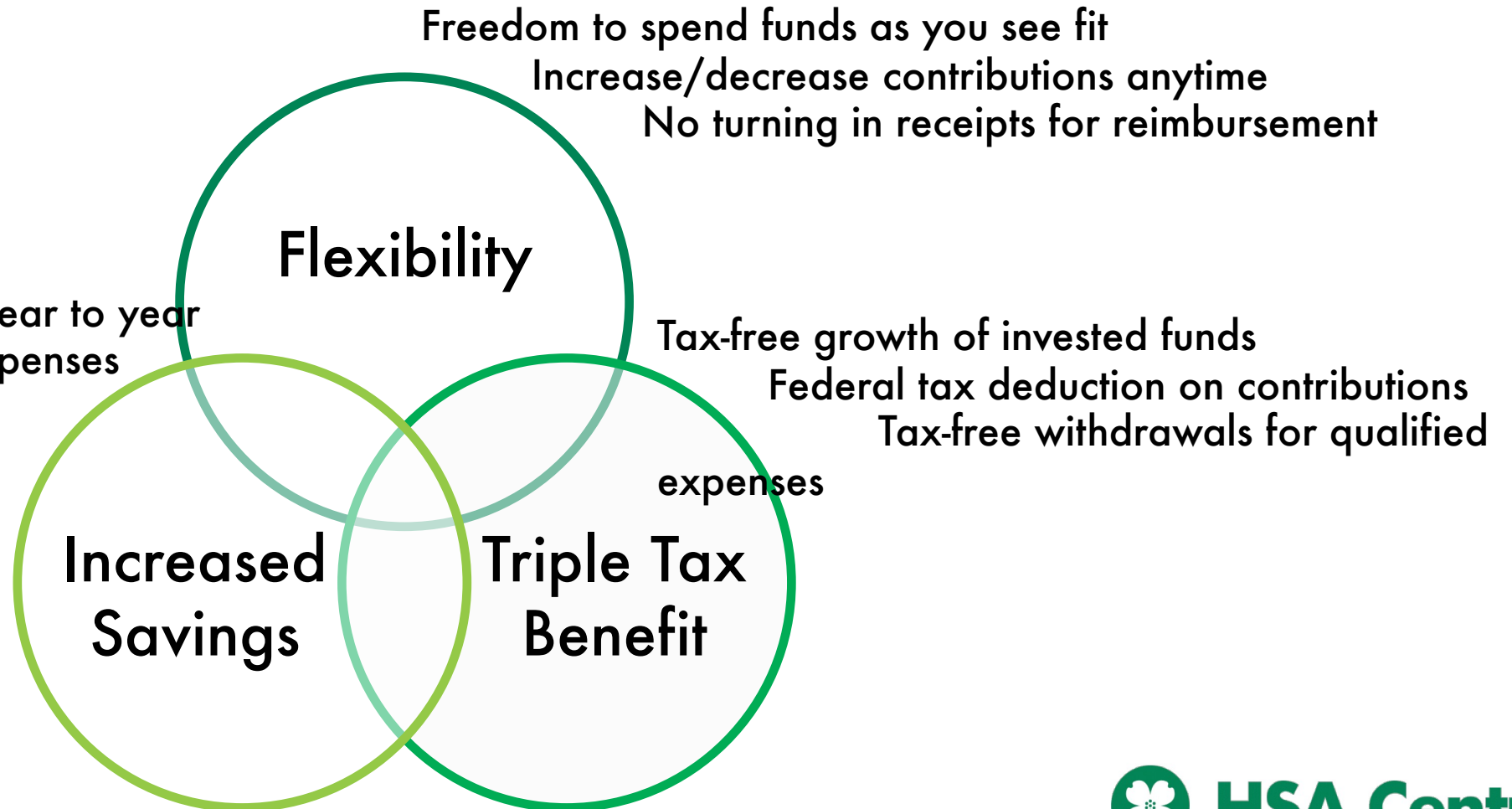
Name(s) shown on Form 1040, 1040-SR, or 1040-NR Social security number of HSA beneficiary. If both spouses have HSAs, see instructions ▶

Before you begin: Complete Form 8853, Archer MSAs and Long-Term Care Insurance Contracts, if required.

Part I HSA Contributions and Deduction. See the instructions before completing this part. If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part I for each spouse.

1	Check the box to indicate your coverage under a high-deductible health plan (HDHP) during 2021. See instructions ▶	<input type="checkbox"/> Self-only <input type="checkbox"/> Family
2	HSA contributions you made for 2021 (or those made on your behalf), including those made from January 1, 2022, through April 15, 2022, that were for 2021. Do not include employer contributions, contributions through a cafeteria plan, or rollovers. See instructions	2
3	If you were under age 55 at the end of 2021 and, on the first day of every month during 2021, you were, or were considered, an eligible individual with the same coverage, enter \$3,600 (\$7,200 for family coverage). All others , see the instructions for the amount to enter	3

Advantages of an HSA



Discuss with your insurance Broker...

Not offering a qualified HDHP yet	Currently offering a qualified HDHP
What health insurance premium savings could a qualified HDHP offer my business?	If not using the Missouri Chamber HSA, how much do our Health Savings Accounts cost today?
Could the business provide an HSA contribution to help offset employee out-of-pocket costs?	If not using the Missouri Chamber HSA, does our HSA provider offer HSA education or a local contact?
What education might be needed to help employees understand HSAs?	Are the HSA funds FDIC insured?
	Does our HSA provide investment options?
	Are HSA funds located locally within Missouri?

HSA's Can Benefit You

5 BENEFITS OF HEALTH SAVINGS ACCOUNTS:

1	Triple Tax Advantage for Your Employees Your employees' contributions are tax-deductible, funds grow tax-free, and all interest earned is tax-deferred. An HSA is a great alternative to an individual retirement account (IRA).	3	Increased Control For You As the employer, you have access to an online portal to manage your employer and payroll contributions.
2	Affordable Health Care Option The monthly premiums are often lower on a high deductible health plan when compared to a traditional health plan.	4	Increased Control For Your Employees HSAs give your employees complete control to manage their funds.
		5	Funds Carry Over Funds in an HSA carry over from year to year. Funds belong to employees and stay with them into retirement.

Consult tax advisor

- **Affordable Health Care Option-** High Deductible Health Plans offer lower premiums, resulting in savings to your business.
- Employees who choose a high-deductible health plan (HDHP) and use an HSA are typically more cost conscious and tend to have lower healthcare expenses than other employees.



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HSA's Can Benefit You

- **HSA's Offer Powerful Tax Benefits for Employers**

- Employees making pretax payroll contributions to their HSA's, lowers your payroll tax liability.
- Employers benefit from even lower payroll taxes if they choose to contribute to employees' HSA's, because employer HSA contributions aren't included in employees' income and therefore aren't subject to federal income tax, or Social Security or Medicare taxes (commonly known as FICA tax).
- Employer HSA contributions are also tax-deductible as a business expense.
- The FICA tax savings for employers alone can be so substantial that many employers choose to increase their employer HSA contributions in order to maximize their FICA tax savings. This approach can be a smart strategy for increasing your employees' total compensation while staying focused on your bottom line.



Missouri Chamber HSA Solution

- If you're interested in learning more about HSA Central, check out our [Missouri Chamber HSA Employer Handout](#).
- Feel free to reach out to us with any questions you may have at Info@HSACentral.net.
- HSACentral.net/MOChamber has some additional resources to help you learn more



Employer Portal & Reporting

Our employer portal makes it easy to view your plan details, access reports, manage employee information, make HSA contributions, and more!

Reporting has never been easier! Get aggregate information about your employee's use of funds, so you can tailor your benefits for the future.

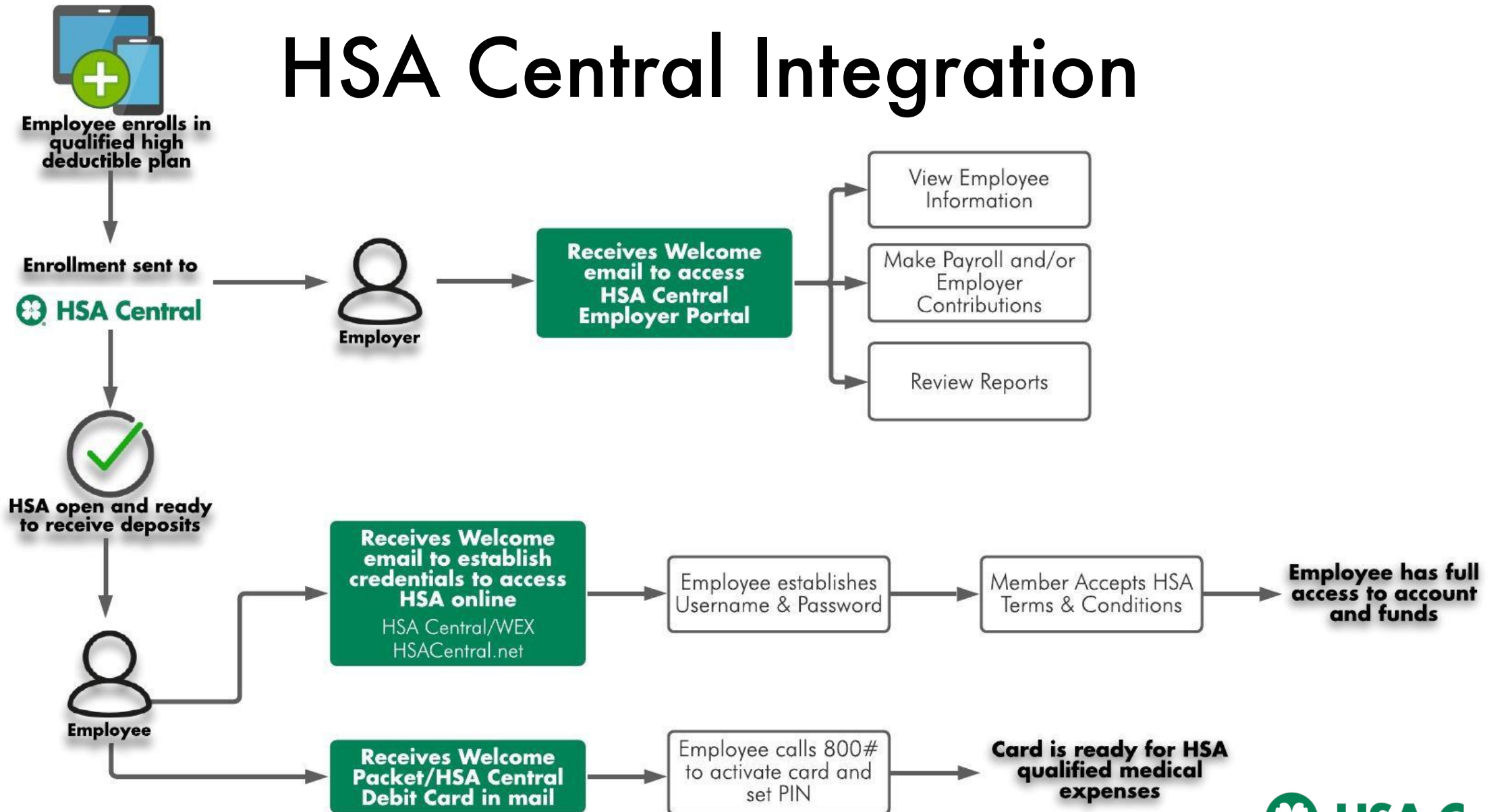
The image displays the HSA Central Employer Portal & Reporting interface. It features a desktop monitor and a laptop, both showing the web application. The desktop monitor displays the 'Schedule a new contribution' page, which includes a 'Schedule type' dropdown menu and two buttons: 'One-time' and 'Recurring'. The laptop displays the 'Employee Search' page, which includes a search bar and a table of employee information. Below the devices, there are several screenshots of reports, including 'HSA Account Summary', 'HSA Plan Funding Collection Notification', and 'HSA Plan Funding Collection Notification Summary'. The reports contain tables of data and charts, providing detailed information about HSA accounts and funding.



Missouri Chamber Partnership MISSOURI CHAMBER OF COMMERCE AND INDUSTRY

- Automatic enrollment for employees and employers who choose a high deductible plan
- Employees receive:
 - No monthly maintenance fee
 - Free debit card
 - Free Bill Pay
- Employers receive free access to HSA Central Employer portal to:
 - Answer employee questions
 - Make contributions
 - Review reports

HSA Central Integration



Card insert

WELCOME TO YOUR HSA!



Follow the steps below to gain all its advantages!

TURN YOUR ACCOUNT ON!

- Go to HSACentral.net, select *Access My HSA, Consumer Portal and Get Started* under the *New User* section.
- Once logged in, accept the terms and conditions.
- If you haven't already, follow the instructions on your card to activate it. *Your HSA is ready to use!*

POWER YOUR ACCOUNT UP!

- Add your checking or savings account to deposit funds into your HSA or make distributions from your HSA.
 - Select *Make an HSA Transaction and Add Bank Account*.
 - Enter your account and routing number and bank information.
- Check your contact information and add beneficiaries.
 - Select *Profile Summary* under your name at the top of the screen.
 - Verify your address and phone numbers are correct. Select *Update Profile* if you need to make changes.
 - Select *Add Beneficiary* and provide your beneficiary information.
- Sign up for alerts via text or email.
 - Go to *Tools and Support* and select *Update Notification Preferences*.
 - Select from several alerts, including when your monthly statement is available or when you're close to reaching your IRS maximum.

TO LEARN MORE

- Download the HSA Central Mobile App. Go to the app store on your mobile phone and search for "HSA Central".
- Sign up for payroll deductions into your HSA, if it's available at your workplace. You may be able to make pre-tax deductions from your paycheck.
- Become familiar with qualified medical expenses. Go to HSACentral.net and check out the *Resource Center* for videos, calculators and other tips on how to use your HSA.
- Save your receipts for qualified medical expenses. You can upload them to the *Expense Tracker* within the HSA Central Consumer Portal or Mobile App for easy access.



What are the benefits of an HSA?

- Contributions are tax-deductible
- Earnings are tax-deferred
- Withdrawals on qualified medical expenses are tax-free
- Funds carry over from year to year
- The account is yours to keep even if you change jobs, health plans or retire

How can I use my HSA funds?

- Doctor's office visits
- Prescriptions, including over-the-counter drugs
- Chiropractic care
- Dental care, including braces
- Vision care, including contact lenses and LASIK surgery

Do dependents have online access to the HSA?

- No. HSAs are individual accounts and only the account holder has access. Account holders may contact Consumer Services at 1(833)232-4676 to request additional access for you.

How do I contribute to my HSA?

- Log in to HSA Central to transfer funds from your checking or savings account
- Ask your employer about HSA payroll deductions
- Transfer funds from another HSA. Complete a Direct Transfer Request Form at HSACentral.net

Who can contribute?

Anyone. You, your employer, friends, family members or anyone who would like to contribute on your behalf.

Where can I find my account number and routing number?

Your account number is displayed under in the upper right corner of the *Accounts Tab* in the HSA Central Consumer Portal. Your new routing number is 086519531.

Can I invest HSA funds?

Yes. You can invest excess funds to save for future healthcare expenses. Your investment returns and earnings are all tax-free. Log into HSA Central and choose *Manage Investments*. Then, view fund options and performance, set investment allocations and realign your portfolio. Use our *Guidance Tool* to determine your risk tolerance and savings goals and create a personalized investment plan.

QUESTIONS?

We're here to help! Feel free to contact

HSA CENTRAL CONSUMER SERVICES AT 1(833) 232-4676

Monday through Friday, 7 a.m. to 7 p.m. Central Time.

Even after hours, you can check your account balance, transactions or report your debit card lost or stolen.



HSA Central Information

HSA Central Phone Customer Service

(Available M-F 7am-7pm CT, excluding federal holidays)

- Consumer Support 1.833.232.4676
- Employer Support 1.833.232.4675

HSACentral.net

- Consumer and employer logins
- Calculators and videos
- Frequently asked questions

HSA Central Debit Mastercard® Activation (Call to activate new card and set PIN)

- 1.866.898.9795

Questions

Check out [HSACentral.net](https://www.HSACentral.net) for more information

