

Why Enroll in a Health Savings Account (HSA)?

Tax-free savings for medical expenses

What is a Health Savings Account?

An HSA is a personal savings account that can be used to pay for medical, dental, vision and other qualified expenses now or later in life. To contribute to an HSA, you must be enrolled in a qualified high-deductible health plan. Your contributions are tax-deductible but are limited annually. If your employer offers payroll deduction, you'll see immediate tax savings on your contributions.

You can use the money tax-free to pay for eligible expenses such as:

- ✓ Copays & Deductibles Hearing Aids
- ✓ Prescriptions Laser Eye Surgery
- ✓ Dental Care Orthodontia
- ✓ Contacts & Eyeglasses Chiropractic Care
- ✓ Medicare Premiums COBRA Premiums

HSA's offer a triple tax advantage

1. **CONTRIBUTE TAX-FREE.** If your employer offers payroll deduction through a Cafeteria Plan, you may make contributions to your HSA on a pre-tax basis or you can contribute to your HSA post-tax and recognize the same tax savings by claiming the deduction when filing your annual taxes.
2. **SPEND TAX-FREE.** Eligible medical purchases can be made tax-free when you use your HSA. Make this easy by using your NBS Smart Card or online bill pay. You can also pay out-of-pocket for eligible medical expenses and then reimburse yourself from your HSA.
3. **EARN TAX-FREE.** Unlike most savings accounts, interest earned on an HSA is not considered taxable income when the funds are used for eligible medical expenses. You can also invest HSA dollars and interest earned is tax-free.

REDUCE your taxable Gross Income.

SPEND tax-free dollars for medical care.

INVEST and grow your HSA tax free!

When do you pay taxes on your HSA?

The only time you may pay taxes or penalties on your HSA funds is if you make a non-eligible purchase, or if you contribute more than the yearly maximum contribution limit. However, both circumstances can be corrected free of tax penalties by April 15th of the following calendar year.

How can an HSA help secure my retirement?

Contributing to a health savings account allows you to invest pre-tax dollars for your biggest retirement expense - HEALTHCARE. You can continue to contribute year after year, and withdrawals can be made at any time. Whether you withdraw the money tomorrow, five years from now, or in retirement, funds used for qualified healthcare expenses are always tax free.

Spending is easy

Our convenient NBS Smart Card allows you to avoid out-of-pocket expenses, cumbersome claim forms and reimbursement delays. You may also utilize the “pay a provider” option on our web portal.

Saving is easy

Since it is a savings account, you are encouraged to save more than you spend. Unlike FSA funds which are “use-it-or-lose-it,” your HSA balance rolls over from year-to-year and earns interest along the way. The account is portable, which means that if you ever leave your employer, you can take the HSA with you. It’s your money and your account.

Account access is easy

Get account information from our easy-to-use online portal and mobile app. See your account balance, contributions and account history in real time.

Per Paycheck Contribution	Annual Contribution	10-Year Balance*	20-Year Balance*
\$25	\$650	\$7,900	\$19,200
\$50	\$1,300	\$15,900	\$38,500
\$75	\$1,950	\$23,800	\$57,700

A little from each paycheck can make a big impact over time.

Assumes 26 pay periods per year, consistent contributions, and a 4% annual return. Example for illustrative purposes only. Actual results will vary based on contributions, investment performance, and withdrawals.