

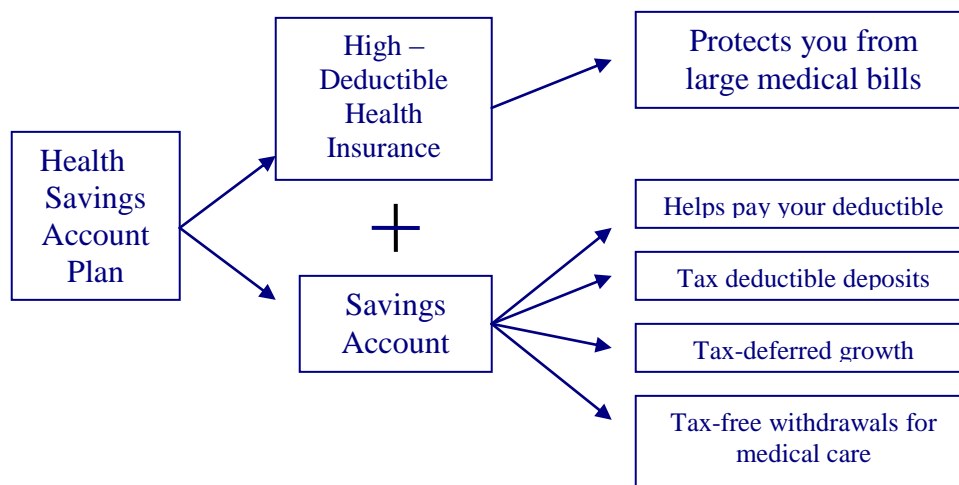
Health Savings Accounts

A Health Savings Account (HSA) **combines high deductible health insurance with a tax-deductible savings account.** Money in the savings account helps pay the deductible. HSA contributions can be withdrawn tax-free for qualified medical expenses such as prescriptions, doctor’s fees, lab and hospital charges, dental expenses, eyeglasses, and other similar medical costs. **Money left in the savings account earns tax-free interest and carries forward from year to year.**

To obtain the benefits of a HSA, the law requires that the savings account be combined with high deductible health insurance. An “HSA Qualified” health plan is designed with a minimum deductible of \$1,250 for singles and \$2,500 for families.

For 2013, you are allowed to contribute up to \$3,250 for singles and \$6,450 for families. Individuals age 55 and older can contribute an additional \$1,000.

HOW YOUR HSA WILL WORK



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HSA Deposits:	100% deductible from gross income
Maximum Contribution:	\$6,450 for families and \$3,250 for individuals. A \$1,000 “catch up” contribution is available for those age 55 or older.
Non-medical withdrawals:	Income tax + 10% penalty unless over 65 or disabled.
Interest Earned:	Tax-deferred. Tax-free if used for qualified health related expenses

Fund balances can be invested into mutual fund or money market accounts. Funds can be transferred from one administrator to another without tax ramifications, much like a retirement account.

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