



# Health Savings Account Fact Sheet

## ➤ BlueEdge HSA<sup>SM</sup>

BlueEdge HSA combines a high deductible health plan with a tax-free Health Savings Account (HSA). Funds from the account can be used to help pay for out-of-pocket expenses, such as copayments and deductibles, or left to grow as a savings vehicle.

## ➤ A Leader in Health Care Benefits

With more than 75 years of experience, Blue Cross and Blue Shield of Illinois (BCBSIL), a division of Health Care Service Corporation, is a leading provider of health care benefits. When you choose BCBSIL, you get a reliable, affordable health care benefit plan, as well as the resources to assist you in making informed decisions about your health. You get the tools to take control of your health care and your health care spending!

## ➤ Advantages of a Health Savings Account

**Affordability** – Lower your health insurance premiums by switching to a health insurance plan with a higher deductible.

**Triple Tax Savings** – Tax deductions when you contribute to your account, tax-free earnings through investment, tax-free withdrawals for qualified medical expenses.

**Portability** – You keep the account even if you change insurance plans, jobs or retire.

**Flexibility** – Use the funds to pay for current qualified medical expenses or save the money for future needs.

**Savings** – Grow your account through investment earnings.

**Control** – You decide how much money to put into the account and when to use it to pay for qualified medical expenses.

### 2014 High Deductible Health Plan (HDHP) and HSA Dollar Amounts

	Self-only Coverage	Family Coverage
Deductible Minimums	\$1,250*	\$2,500*
Annual Out-of-Pocket Maximums	\$6,350*	\$12,700*
HSA Contribution Maximums	\$3,300*	\$6,550*
"Catch-up" contributions (age 55 and older): \$1,000**		*Adjusted annually for inflation. ** No change from calendar year 2013.

## ➤ Choosing an HSA Administrator

BCBSIL has established relationships with three administrators that serve as HSA custodians and can help make your HSA experience simple and efficient.\* Each offers tools and resources to support a range of HSA services and integration features for employers and employees. Administrator options include:

- **BenefitWallet™** offers real-time integration and can accommodate any size group.\*
- **HSA Bank®** specializes in HSA administration and is a good match for any size group.\*\*
- **FlexHSA®** Plan offers the complete HSA by supporting health insurance, banking and investing for small and mid-market groups.\*\*

Check with your BCBSIL account representative or producer for more details and help in determining the administrator option that will best meet your needs.

## ➤ IRS Rules to Know

### Eligibility

Any adult can contribute to an HSA if he/she:

- Has coverage under an HSA-qualified “high deductible health plan” (HDHP)
- Has no other first-dollar medical coverage (other types of insurance such as specific injury or accident, disability, dental, vision or long-term care are permitted)
- Is not enrolled in Medicare
- Cannot be claimed as a dependent on someone else’s tax return

### Contributions

Contributions to your HSA can be made by you, your employer or both. If you make a contribution, you can deduct the contribution (even if you do not itemize deductions) when completing your federal income tax return.

### Distributions

You can use the money in the account to pay for any qualified medical expense permitted under federal tax guidelines. You can use the money in the account to pay for qualified medical expenses for yourself, your spouse or your dependent children. You can pay for expenses for your spouse and dependent children even if they are not covered by your high deductible health plan.

Any amounts used for purposes other than to pay for qualified medical expenses are taxable as income and subject to an additional 20 percent tax penalty. After you turn age 65, the additional tax penalty no longer applies.

### For more information

The information contained here is not intended to represent all HSA regulations. For complete information, visit the U.S. Treasury’s HSA website at [treas.gov](https://www.treas.gov).

\*Xerox HR Solutions, LLC. and The Bank of New York Mellon (BNY Mellon) are affiliated companies that provide HSA administration services as BenefitWallet. Xerox is the administrator of the BenefitWallet HSA product. BNY Mellon is the custodian.

\*\*The relationship between Blue Cross and Blue Shield of Illinois, Xerox, BNY Mellon, HSA Bank and Flexible Benefit Service Corporation is that of independent contractors. Xerox, BNY Mellon, HSA Bank and Flexible Benefit Service Corporation are separate companies that are solely responsible for administration of the health savings account associated with the BlueEdge HSA plan. Please note that the HSA is a separate account established by the member in accordance with an agreement with an independent third-party bank over whom Blue Cross and Blue Shield of Illinois has no relationship or contractual agreement.

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