



FIRST FEDERAL
BANK & TRUST

WHAT IS A HEALTH SAVINGS ACCOUNT?



A HEALTH SAVINGS ACCOUNT, or HSA,

is a personal savings account that can be used to pay for current or future healthcare expenses. An HSA lets you put money away and withdraw it tax free to pay for eligible medical expenses.

UNDERSTANDING THE BENEFITS



Money that you put into your HSA isn't taxed. You also don't pay tax on interest or withdrawals for qualified medical expenses.



Unused funds don't expire. After age 65, funds can be withdrawn for any purpose without a penalty. Note: Funds may still be subject to income tax if not used for IRS-qualified medical expenses.



In some cases your HSA can be used to pay for qualified medical expenses for your spouse and dependents, even if your high deductible health plan doesn't cover them.

LIMITS ON HSA CONTRIBUTIONS FOR 2022 & 2023

	2022		2023	
	Self-Only Coverage	Family Coverage	Self-Only Coverage	Family Coverage
HSA contribution limits per year	\$3,650	\$7,300	\$3,850	\$7,750
HSA "catch-up" contributions (55 or older) per year	\$1,000	—	\$1,000	—

You can only contribute to your HSA when enrolled in a qualified high deductible health plan with no other coverage that disqualifies you.

Household members, friends, and employers can all make contributions to your HSA.

Limits on HSA contributions depend on the type of high deductible health plan coverage you have (self-only or family), your age, and when you qualified for an HSA.

If you're 55 or older, you can contribute an extra \$1,000 to your HSA each year. This is called a "catch-up" contribution. If your spouse is also 55 or older, they can make a catch-up contribution to their own account, if eligible, but not to yours.

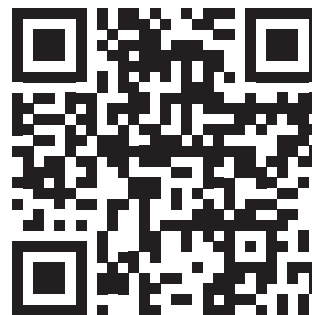
If you withdraw funds from your HSA before age 65 for non-medical costs, or medical costs that don't qualify, you will be taxed on the distribution and pay a 20% penalty.

If you withdraw funds from your HSA after age 65 for non-medical costs, you won't have to pay the 20% penalty, but you will be taxed on the distribution.

WHAT ARE ELIGIBLE EXPENSES?

HSA funds may be used for out-of-pocket medical costs, like doctor visits, hearing aids, prescription drugs, vision expenses and more. Learn more about eligible expenses at [IRS.gov](https://www.irs.gov).

AM I ELIGIBLE?



CONTACT US WITH QUESTIONS OR TO OPEN YOUR ACCOUNT