

# Health Savings Account

# HSA

## FREQUENTLY ASKED QUESTIONS



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### 1. What is a Health Savings Account (HSA)?

A health savings account, or HSA, is a tax-advantaged medical savings account that helps participants save money for medical expenses. Unlike an FSA, the funds in an HSA roll over from year to year if unused. Contributions to this account may be made by the employer and/or the employee, with annual maximums outlined by the IRS. Funds must be in the HSA to pay for qualified expenses.

### 2. Am I eligible to contribute to an HSA?

You are eligible to contribute to an HSA if you are enrolled in a “qualifying high deductible health plan (HDHP).” If you are unsure if you participate in a HDHP, speak with your employer or benefits advisor.

### 3. How does it work?

If you are enrolled in a “qualified HDHP,” you can open an HSA and begin making contributions through automatic payroll deductions or tax-deductible lump-sum deposits. Annual maximum contributions for 2012 are \$3,100 for an individual and \$6,250 for a family.

### 4. What are the advantages of an HSA?

Two major factors make an HSA advantageous.

1. You own your “health savings account” with pre-tax dollars, while all investment gains or losses are non-taxed.
2. Funds are tax-free when withdrawn for “qualified expenses.”

### 5. What expenses are covered under my HSA?

Most healthcare expenses, including prescription drugs can be paid for using HSA money. Typical HSA-eligible expenses include: medical and dental deductibles and copayments, eye exams, contact lenses or glasses, physical therapy, chiropractic care, and over-the-counter products.

If you chose to use the funds in your HSA for any other purpose, income and penalty taxes will apply.





### 6. Where can I go for help?

As an Austin Financial Group client, our dedicated management team will assist you with any questions or concerns. You can expect prompt service and avoid long hold times with insurance carriers when working with AFG.

Austin Financial Group is a leading employee benefits firm offering insurance, enrollment, and administrative solutions. At Austin Financial Group, ‘Smart Benefit Solutions’ means more support, smart spending, and expert consulting.

For more information about High Deductible Health Plans, HSAs, and employee benefits please contact us at (888)-277-0077.

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9/20/2011