Annual Enrollment Insurance Carrier Webinar Health Savings Account/Flexible Spending Accounts (state/higher ed)

September 29, 2022

3:30 p.m. CT



Annual Enrollment Dates

State/Higher Education: Saturday, Oct. 1 – Friday, Oct. 14

Local Education/Local Government: Saturday, Oct. 1 – Friday, Oct. 28

Retirees: Saturday, Oct. 1 – Friday, Oct. 28

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Insurance Carrier Webinar Series

All attendees have been muted – if you have a question, type it into the chat box – to **Everyone**

- Chat found at the bottom right of the screen
- Specific individual benefits or benefits processing questions, please email:

benefits.info@tn.gov





Today's Presenters

- Linnie Stelk, Optum Financial
- Benefits Administration staff available to answer questions



Optum Financial®

Health benefit account options

Welcome to Annual Enrollment 2023





Let's learn about Health Savings Accounts (HSAs)



What is an HSA?

A health savings account, or HSA, is an account that saves you money by letting you use income tax-free dollars to pay for qualified medical, dental and vision expenses



Sign up during enrollment. HSAs are compatible with a qualifying high deductible health plan.

"The State of Tennessee's CDHP for state and higher education employees and the Local CDHP for local education and local government employees qualifies as a high deductible health plan."

Contribute incometax free money to your account –up to IRS limits – and adjust at any time during the year.

Spend your HSA dollars on hundreds of items – like glasses, Rx refills and doctor visits.

Earn potential interest on your balance. Choose to invest HSA funds for potential added growth, after meeting minimum balance.

Balances carry over from year-toyear, to new jobs,
and into retirement.



An HSA is designed to help you save money for use today or later





How an HSA helps you save money

Save, earn and spend income tax-free (legally)

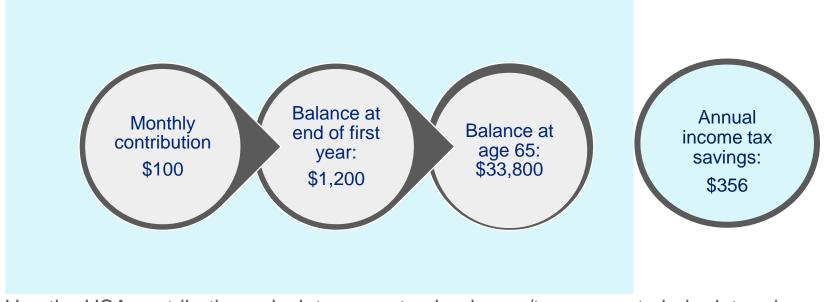




HSA savings in action - meet Jake

Meet Jake. He's 27 and considers himself healthy. When he started his new job, he decided to open an HSA and contribute \$100 per month. Because he hasn't had many medical expenses, he decided not to touch the balance during his first year. Once he turns 40, he begins using \$500 each year after that to cover his health costs. Here's how Jake's balance grows:





Use the HSA contribution calculator on optumbank.com/tennessee to help determine your contributions and see how much you can save on taxes

Assuming 22% federal income tax and 7.65% FICA. Results and amount will vary depending on your circumstances

What's covered under an HSA?

Save on out-of-pocket costs head to toe



Acupuncture



Chiropractic care



Eye exams, glasses, & contacts



Flu shots



Nursing services



Orthodontia (non cosmetic)



Physical exam



Physical therapy



Prescription drugs & refills



Psychiatric care



Sunscreen, SPF 15+



Wheelchair, walkers, crutches and canes

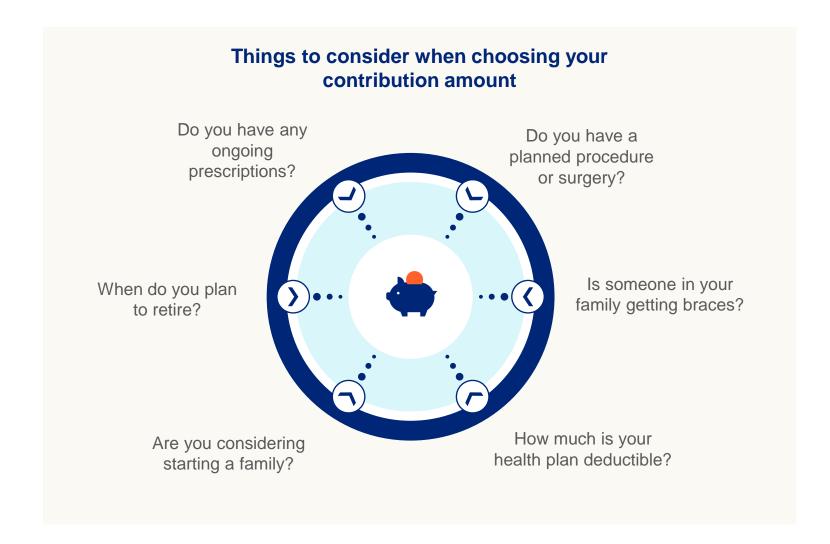


Use the Qualified Medical

Expense Tool on optumbank.com/tennessee to see if your specific

expense qualifies for reimbursement

How much should I contribute? How much can I contribute?





2022 Limits

Individual: \$3,650 Family: \$7,300

2023 Limits

Individual: \$3,850 Family: \$7,750

When you are 55 or older, and not enrolled in Medicare, you can fund an additional \$1,000 each year, called a catch-up contribution.

If your employer contributes to your HSA, that counts towards the limits.



How do I know if I'm eligible for an HSA?

Most people covered under a qualifying consumer-driven health plan are eligible. Here are a few more IRS requirements.

- You are not covered by any other health plan that is not an CDHP
- You are not enrolled in Medicare, TRICARE or TRICARE for Life
- You haven't received Veterans Affairs benefits within the past three months, except for preventive care; if you have a disability rating from the Veterans Affairs, this exclusion doesn't apply
- You can't be claimed as a dependent on someone else's tax return
- You do not have a health care flexible spending account (FSA) or health reimbursement arrangement (HRA) alternative plan designs
- Other restrictions and exceptions may also apply. We recommend that you consult a tax, legal or financial advisor to discuss your personal circumstances



Investing in your HSA

Options for every type of investor



Mutual funds — if you'd like to choose from a pre-selected list of mutual funds

- A diverse variety of mutual funds
- Twelve Vanguard funds selected by the state of Tennessee
- Low expense ratios
- You can start investing when your balance is \$1,100

The earlier you start, the more potential you have to grow your savings

Example:

- \$3,000 per year contribution
- \$1,500 per year used for eligible medical expenses
- 7% average rate of investment earnings with all earnings reinvested

Savings potential

Starting Age	HSA Value at age 65*	
25	\$320,420	
35	\$151,613	
45	\$65,799	
55	\$22,176	

Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

Account holders must meet the minimum balance to begin investing, this amount may vary, check your online account or plan documents. 'Hypothetical example for illustrative purposes only. Amounts will vary depending on your unique circumstances.



How can I access my account?



- Make deposits
- Pay bills
- Reimburse yourself
- Manage your investment activity



- Pay the easier way at the doctor's office, chiropractor or pharmacy
- Use your card to pay for qualified medical expenses online
- Order additional cards for family members covered under your plan



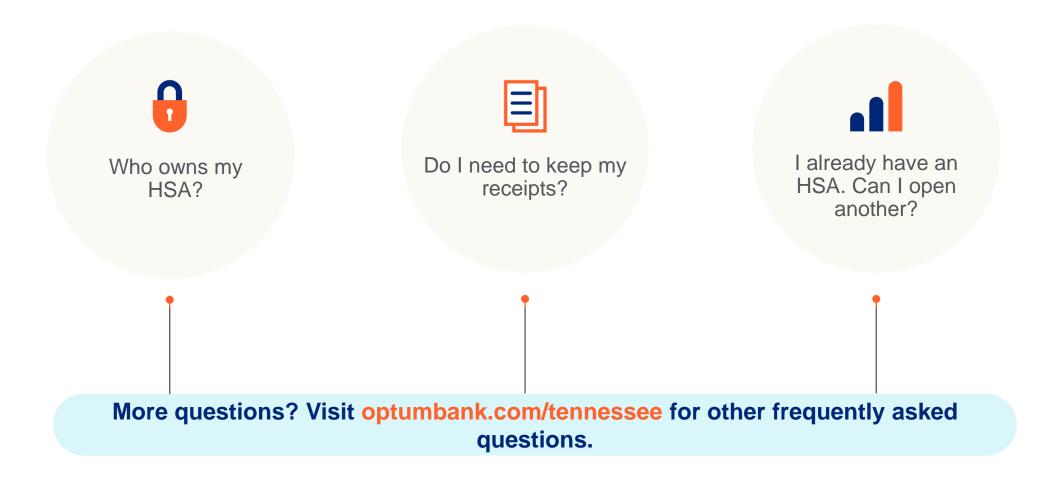
- Pay bills, track payments and reimburse yourself
- Search for qualified medical expenses
- Capture and submit receipts
- Easily deposit funds
- Calculate your contributions
- Update your beneficiary

It's easy to check account information and reimburse yourself



Common questions ?

You've got questions; we've got answers





Get started now with your Optum Bank HSA







For more information, visit optumbank.com/tennessee



Q&A



Learn about Flexible Spending Accounts (FSAs)

What is an FSA?

A flexible spending account is an account that allows you to use pre-tax dollars to pay for eligible expenses



Contribute pre-tax dollars



Use to pay for eligible expenses



Use the money by the end of the plan year. Some plans have carryover



FSAs help stretch your budget by giving you tax savings on your everyday health care.



Three types of FSAs



Medical

Helps pay for certain medical, dental, vision, prescription drug and eligible overthe-counter expenses



Limited purpose

Offered alongside an HSA to help pay for dental and vision expenses





Dependent care

Allows use of pre-tax dollars to pay for eligible dependent care services incurred while you work



Sample eligible expenses

Use the Qualified Medical
Expense Tool on

to see if your specific
expense qualifies for
reimbursement

1

Health care



Acupuncture

Anesthesia

Alcoholism treatment

Bandages

Blood pressure

monitor

Chiropractic care

Co-payments

Contact lenses

Deductibles

Eyeglasses

Eye surgery

First aid kits

Flu shots

Hearing aids

Lab fees

Lasik

Learning disability

treatments

Orthodontia

2

Limited purpose



Dental and vision co-insurance, deductible

Dental visits

Eye examinations

Prescription eyeglasses

Eye surgery

Invisalign

Lasik

Optometrist

3

Dependent care



After-school program

Babysitting

Childcare

Nanny

Nursery school

Preschool

Sick childcare

Summer day camp

Adult day care center

Elder care

Senior day care

Transportation to/from eligible care



Contribution limits

Medical Helps pay for certain medical, dental, vision, prescription drug and qualified over-the-counter expenses



Limited purpose Offered alongside an HSA to help pay for dental and vision expenses



Dependent care Allows use of pre-tax dollars to pay for dependent-care services incurred while you work



2023 IRS Contribution limits:

\$2,850 individual **\$**



\$5,000 per year for couples filing jointly or single parent; \$2,500 per year per parent filing separately



How much can you save? \$0



Assume Mike earns \$55,000 a year and contributes \$2,000 to his FSA



	With FSA
Annual pay	\$55,000
Pre-tax FSA contribution	\$2,000
Taxable income	\$53,000
Federal income & Social Security taxes	\$15,715
After tax dollars spent on eligible expenses	\$0
Spendable income	\$37,286
Mike's tax savings	\$593

^{*}Assuming 22% federal income tax and 7.65% FICA. Results and amount will vary depending on your particular circumstances.



How can I access my account?



- Check your balance
- Submit receipts
- Reimburse yourself



- Pay bills, track payments and reimburse yourself
- Search for eligible medical expenses
- Capture and submit receipts



Payment card

- Pay the easier way at the doctor's office, chiropractor or pharmacy
- Use your card to pay for eligible medical expenses online
- Order additional cards for family members covered under your plan

It's easy to check account information, submit receipts, reimburse yourself





How can I use my FSA to pay for eligible expenses?



Payment card

Allows you to pay for health care services at the point of care

Most purchases are automatically substantiated, which means less paperwork for you



Mobile or online claim submission

Complete interactive claim form on the mobile app or online

Snap a picture of your documents and quickly upload either online or via mobile app



Paper claim form

Submit paper claim form to Optum Financial with required documentation via fax or U.S. mail



Common questions ?

You've got questions, we've got answers



When can I request reimbursement?



How will I be able to access my account funds?



Will I have to submit documentation for card payments?

More questions? Visit optumbank.com/tennessee for other frequently asked questions.

Get started now Make the most of your Optum Bank FSA throughout the year



Enroll in your plan by the deadline





Spend your funds, don't lose them





Log in to your account online or on the mobile app frequently



For more information, visit optumbank.com/tennessee

Higher Education employees-use this splash page to enroll in your flexible benefit plans and make payroll elections



Q&A





Call

Optum Customer Care 866-600-4984 24/7 except major holidays



Email

service.tennessee@optum.com



Visit

www/optumbank.com/tennessee





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Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

Self-directed mutual fund investment options are made available through the services of an independent investment advisor, or your plan sponsor. Discretionary advisory services are provided by Betterment LLC, an SEC-registered investment adviser, with associated brokerage transactions provided by Betterment Securities, Member FINRA/SIPC. For details and disclosures visit betterment.com. The Schwab Health Savings Brokerage Account is offered through Charles Schwab & Co., Inc., Member FINRA/SIPC. For details and disclosures, visit schwab.com. Orders are accepted to effect transactions in securities only as an accommodation to HSA owners. Optum Financial and its subsidiaries are not broker-dealers or registered investment advisors and do not provide investment advice or research concerning securities, make recommendations concerning securities, or otherwise solicit securities transactions.

Health savings accounts (HSAs) are individual accounts offered through Optum Bank[®], Member FDIC. HSAs are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account.

Flexible spending accounts (FSAs), dependent care assistance programs (DCAPs), health reimbursement arrangements (HRAs), Commuter and Parking Benefits (collectively, "Employer-Sponsored Plans") are administered on behalf of your plan sponsor by Optum Financial, Inc. ("Optum Financial") and are subject to eligibility and restrictions. Employer-Sponsored Plans are not individually owned and amounts available under the Employer Sponsored Plan are not FDIC insured.

This communication is not intended as legal or tax advice. Federal and state laws and regulations are subject to change. Please contact a legal or tax professional for advice on eligibility, tax treatment, and restrictions. Please contact your plan administrator with questions about enrollment or plan restrictions.



Upcoming Insurance Carrier Webinars

• **Sept. 30:** Dental. 3:30 p.m. CT

Go to tn.gov/PartnersForHealth > Annual Enrollment > About Enrollment for a flyer on these webinars and to add a calendar link

Recordings will be posted on the ParTNers YouTube page – found by going to the Videos page, clicking the ParTNers YouTube link at top, go to 2022 Employee Webinars playlist.



Employee Educational Webinars

Learn about your 2023 benefits options, changes, premiums and ask questions.

State and higher education (CT)

- Wednesday, Oct. 5, 2-3 p.m. CT
- Thursday, Oct. 13, 10-11 a.m. CT

Local Education and Local Government

- Wednesday, Oct. 5, 10-11 a.m. CT
- Thursday, Oct. 13, 2-3 p.m. CT
- Wednesday, Oct. 19, 3-4 p.m. CT

Go to tn.gov/PartnersForHealth > Annual Enrollment > About Enrollment for a flyer and instructions



Annual Enrollment

Annual Enrollment Dates

- State/Higher Education: Saturday, Oct. 1 Friday, Oct. 14
- Local Education/Local Government: Saturday, Oct. 1 Friday, Oct. 28
- Retirees: Saturday, Oct. 1 Friday, Oct. 28

Find 2023 Annual Enrollment information and materials under the Annual Enrollment tab.

- Find 10 Things You Need to Know video under Annual Enrollment
- Find enrollment details under <u>About Enrollment</u>.
- Find the 2023 digital and PDF Annual Enrollment newsletters under Enrollment Materials.
- Find all premium charts under <u>Premiums</u> tab at top of homepage.
- Find forms under Publications, then <u>Forms</u>.
- Retirees have their own page under <u>For Retirement</u>.
- The Employee Self Service instructions and videos will be posted by Oct. 1.

Find Insurance Comparison Charts under <u>Publications</u>:

- State and higher education Insurance Comparison Chart
- Local education and local government Insurance Comparison Chart





QUESTIONS?

Press microphone or *6 to un-mute your line

Use the chat function – bottom right of screen

www.tn.gov/ParTNersForHealth

Click the green Help button to chat with a representative

Email: benefits.info@tn.gov

800.253.9981 or 615.741.3590

Monday - Friday, 8 a.m. - 4:30 p.m. CT