

Optum Financial[®]

Health savings account

Local Education and Local Government

**PARTNERS
FOR HEALTH**



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 income-tax 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-to-year, 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)



Money in. Deposits are exempt from income tax



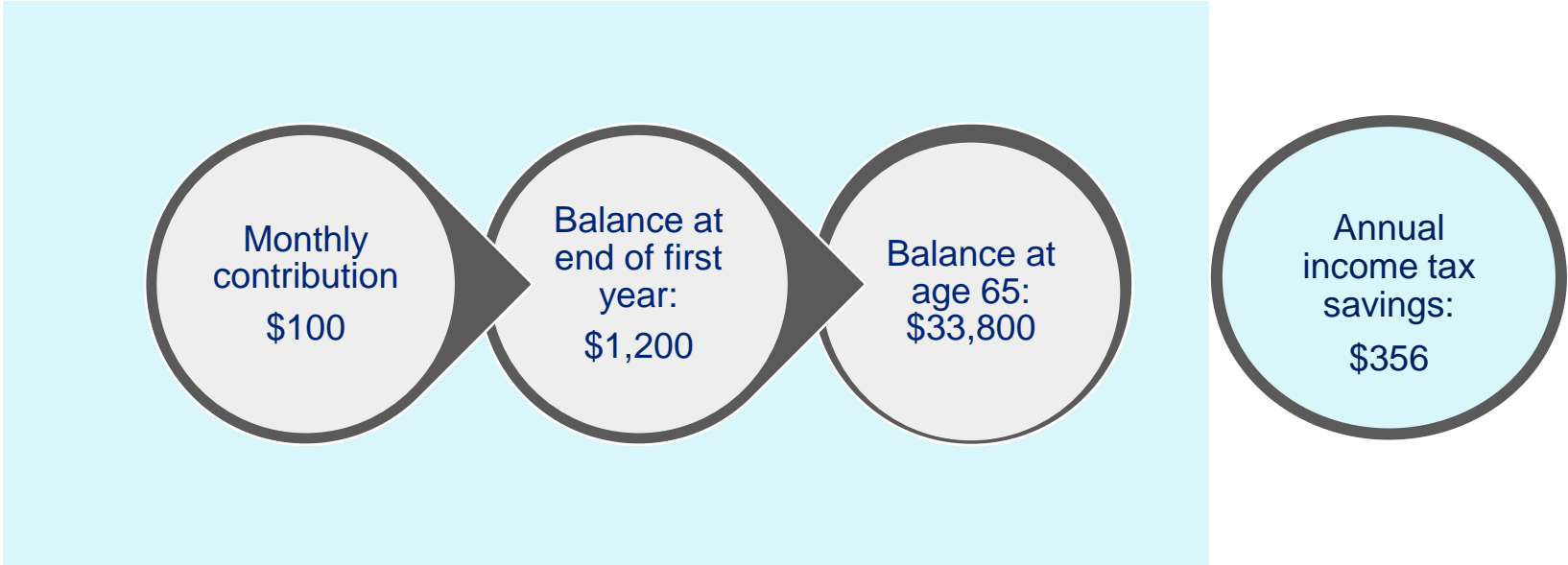
Earnings. Interest and potential investment growth are income tax-free



Money out. Funds spent on qualified medical expenses are income tax-free

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+

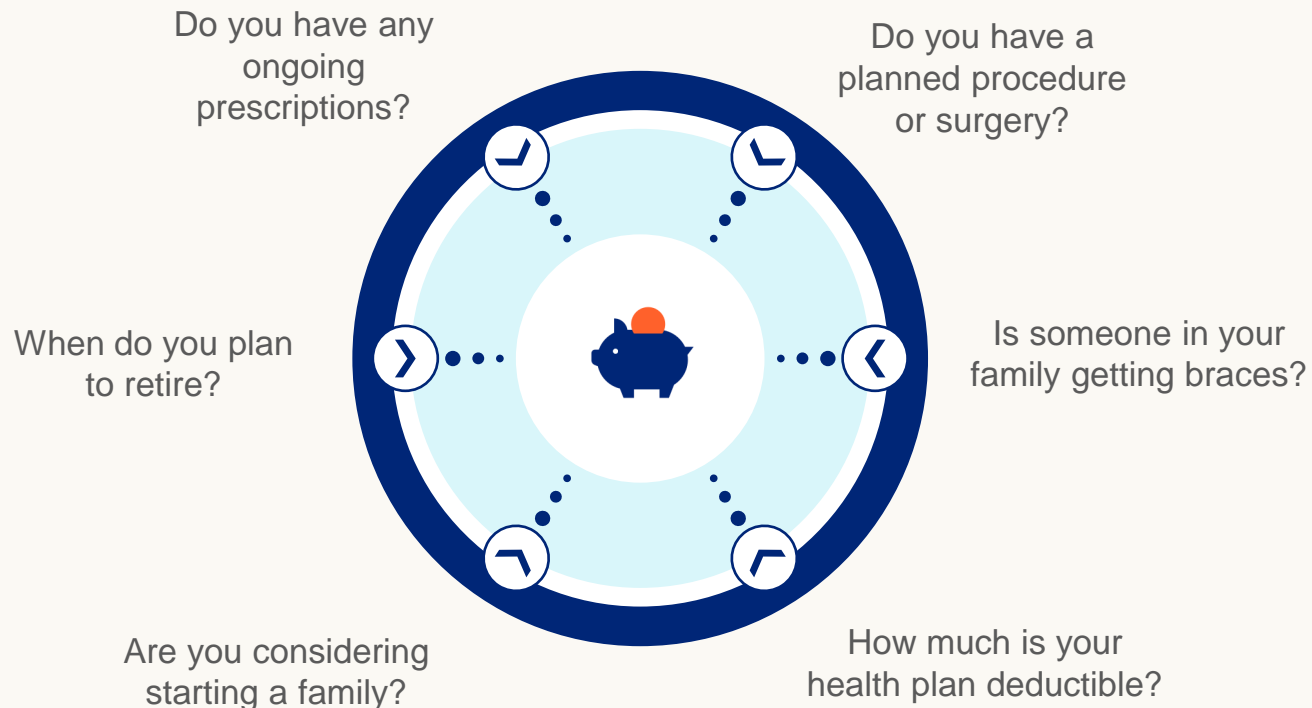


Wheelchair, walkers, crutches and canes

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?

Things to consider when choosing your contribution amount



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.

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?



Online portal

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



Mobile app

- 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



Payment card

- 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



**It's easy to check
account information and
reimburse yourself**

Common questions ?

You've got questions; we've got answers



Who owns my HSA?



Do I need to keep my receipts?



I already have an HSA. Can I open another?

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

Get started now with your Optum Bank HSA

1 Check your
enrollment dates



2 Select an HSA for
year-round savings
and benefits



3 Adjust contribution
amounts throughout
the year; spend and
use your account for
your care.



For more information, visit optumbank.com/tennessee

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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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.

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