

**Optum** Financial<sup>®</sup>

# Health benefit account options

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Central State and Higher Education

**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



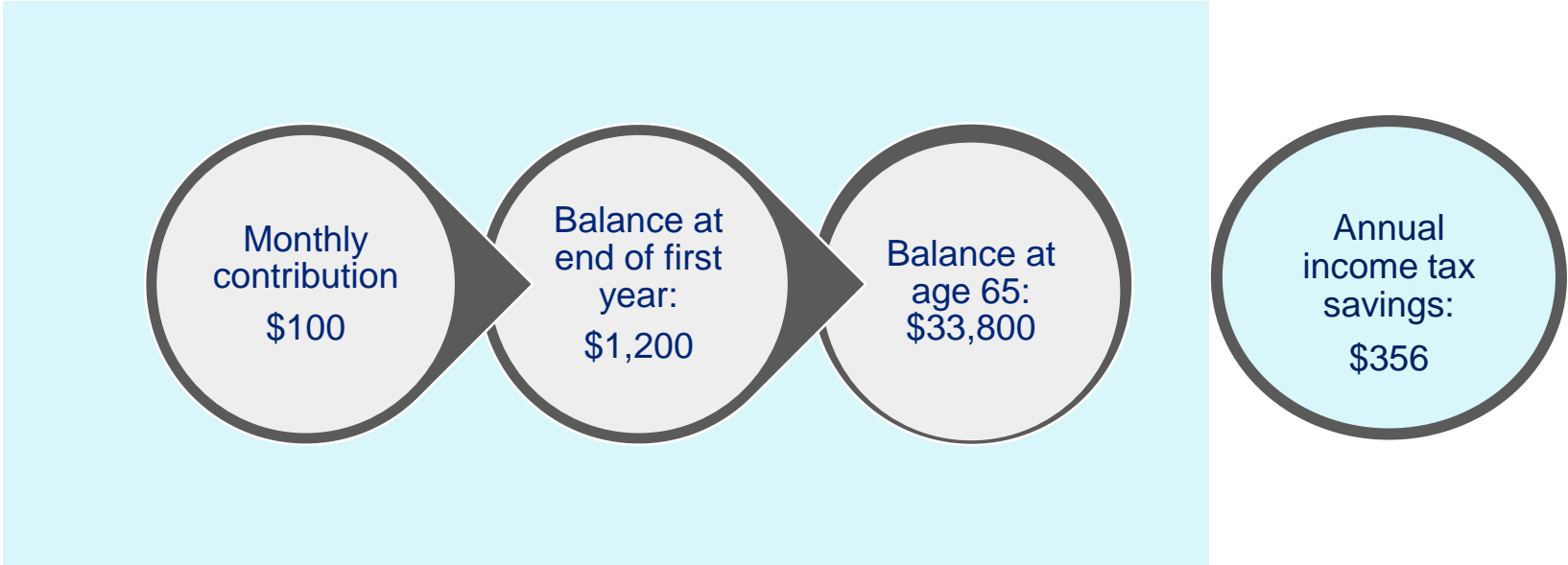
**Earnings.** Interest and potential investment growth are income tax-free



**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](https://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+

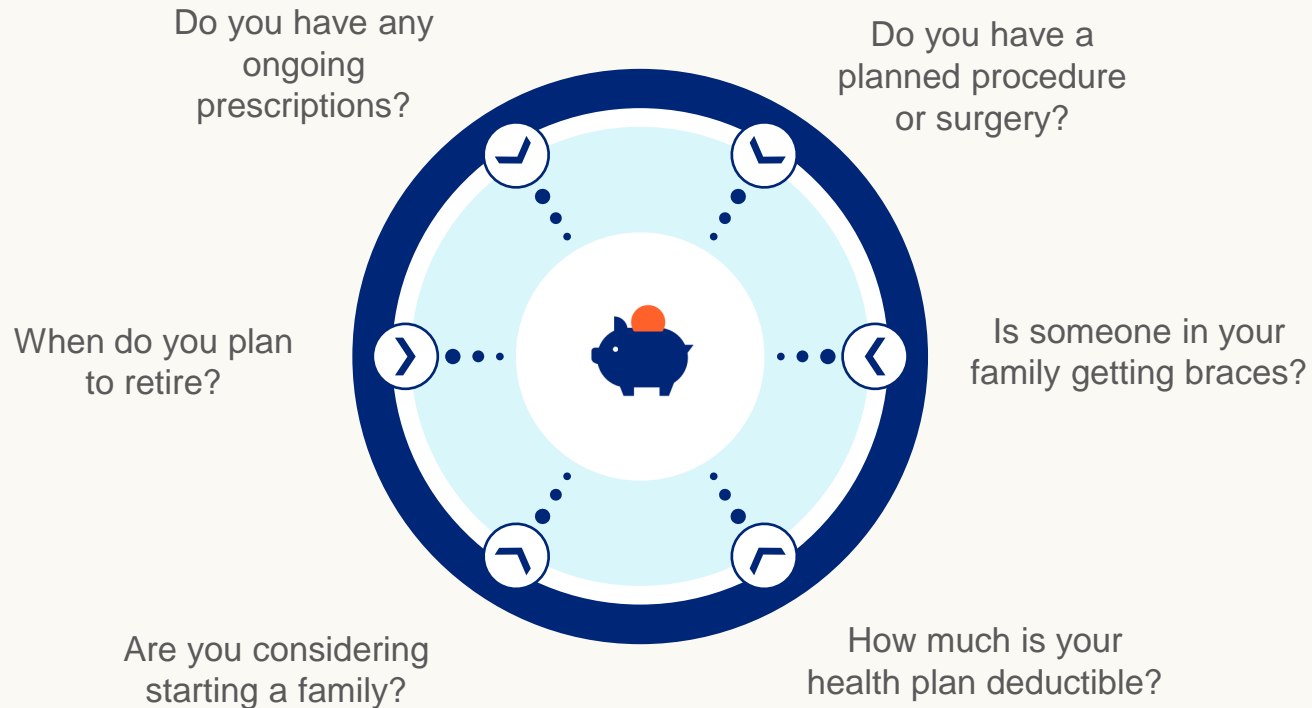


Wheelchair, walkers, crutches and canes

Use the Qualified Medical Expense Tool on [optumbank.com/tennessee](https://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.

State and Higher Education employees receive seed funds in early January, which count towards IRS maximums

**\$250-Single**

**\$500-Family**

## 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](https://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](https://optumbank.com/tennessee)

# 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



FSA's help stretch your budget by giving you tax savings on your everyday health care.



# Three types of FSAs

1

## Medical

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



2

## Limited purpose

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



3

## Dependent care

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



# Sample eligible expenses

## 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

Use the Qualified Medical Expense Tool on [optumbank.com/tennessee](http://optumbank.com/tennessee) to see if your specific expense qualifies for reimbursement



# Contribution limits

## 1 Medical

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



## 2 Limited purpose

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



## 3 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?



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

That's **\$593** in potential  
income tax savings



	<b>With FSA</b>
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	<b>\$593</b>

\*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?



## Online portal

- Check your balance
- Submit receipts
- Reimburse yourself



## Mobile app

- 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](https://optumbank.com/tennessee) for other frequently asked questions.

# Get started now

## Make the most of your Optum Bank FSA throughout the year

1

Enroll in your plan by the deadline



2

Spend your funds, don't lose them



3

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



For more information, visit [optumbank.com/tennessee](https://optumbank.com/tennessee)  
*Higher Education* employees go to this splash page to enroll in FSA plan and make FSA payroll elections

# Q&A

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### **Call**

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**866-600-4984**

**24/7 except major holidays**



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