Health Savings Account (HSA) –

only for members enrolling in a participating HSA plan

The HSA offers tax-free savings for the qualified medical expenses of "eligible individuals" and their dependents. An "eligible individual" or HSA owner is someone covered under an HSA-compatible, High-Deductible Health Plan (HDHP) and is not covered under a non-HDHP or Medicare plan and not claimed as a dependent on another's tax return. Qualified medical expenses are defined in Internal Revenue Code Section 213 [d]. In general, they include specified deductibles, copayments and other medical expenses not covered under the HDHP or in any other manner.

HSA advantages:

- HSA contributions are tax-deductible.
- Interest on an HSA is tax-deferred.
- HSAs are portable and owned by the individual; contributions cannot be taken away.
- Unspent balances roll over to the following year and can accumulate over a lifetime to help pay for uncovered Medicare expenses after retirement.
- In the event of the holder's death, HSA balances pass on free of tax to their designated beneficiaries.

2016 offers individuals and families additional opportunities to save for current and future health care with a Health Savings Account (HSA)

HSA holders can choose to save up to $3,350 for an individual and $6,750 for a family (HSA holders 55 and older get to save an extra $1,000, which means $4,350 for an individual and $7,750 for a family) — and these contributions are 100% tax deductible from gross income.

Minimum annual deductibles are $1,300 for self-only coverage or $2,600 for family coverage.

Annual out-of-pocket expenses (deductibles, copayments and other amounts, but not premiums) cannot exceed $6,550 for self-only coverage and $13,100 for family coverage.

	Minimum deductible	Maximum out-of-pocket	Contribution limit	55+ contribution
Single	$1,300	$6,550	$3,350	$1,000
Family	$2,600	$13,100	$6,750	$1,000

Frequently asked questions

Q: Who can contribute to an HSA?
A: The HSA is funded by contributions from the employee, employer or both.

Q: What is the maximum amount that can be contributed to an HSA?
A: $3,350 for an individual and $6,750 for a family for 2016.

Q: How does the HSA plan work?
A: Money in the HSA can be used to pay for covered qualified medical expenses and prescriptions not paid by the HDHP. The HSA dollars used apply toward the plan's annual deductible. If all of the dollars are not spent, the money remaining in the account will roll over to the following year.

Q: Who do I contact to set up an HSA?
A: Insured banks and credit unions are automatically qualified to handle HSAs. Any bank, credit union or any other entity that currently meets the IRS standards for being a trustee or custodian for an IRA or ArcherMedical Savings Account (MSA) can be an HSA trustee or custodian. SISC is not qualified to handle HSAs. SISC offers two HDHP options that are HSA-compatible.

How you can find out more

To get more details about your health benefits, as well as all of our programs and services that can help you stay healthy, go to **anthem.com/ca/sisc**.

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