

# What's an HSA and is it Right for You?

Health savings accounts (HSAs) have grown tremendously in popularity over the past few years. You've probably heard of them or maybe your employer offers one. This memo will uncover answers to common questions you may have about HSAs.

## **What's an HSA?**

A type of savings account that allows you to set aside money on a pre-tax basis to pay for qualified medical expenses.

## **Can anyone get an HSA?**

In order to open an HSA, an individual must first enroll in a qualified high deductible health plan (HDHP).



I've heard HSAs have triple-tax advantages, what are they?

1. Contributions are tax-deferred and eventually even possibly tax free (see #3).
2. Contributions can be invested and potentially grow tax free (see #3).
3. Withdrawals aren't taxed, if used for qualified medical expenses.

## **If I change employers, what happens to my HSA?**

HSAs are completely portable for employees, meaning you may take it with you if you change employers.

## **Do I lose my HSA funds at the end of the year?**

No. The balance can grow and carry from year to year and can also be invested.

## **What can I pay for with my HSA?**

Generally, HSA funds can be used to pay for anything that your insurance plan considers a "covered charge," including charges not paid by your health insurance because they were subject to a co-pay, deductible or coinsurance.

**For more information on HSAs, please contact Gateway Retirement Consulting at (908)233-8100 Option 2 or [retirementconsulting@gatewayadvisory.com](mailto:retirementconsulting@gatewayadvisory.com).**