

Consumer-driven health plan with a health savings account

What is a health savings account (HSA)?

An HSA is a personal bank account that helps you save and pay for your health care. Think of an HSA as a savings plan for health care you'll need today, tomorrow and into the future. It works like a regular bank account but with extra benefits to help you maximize your health care dollars

What are the advantages of an HSA?

It's your money. There's no "use it or lose it" rule. You own the funds in your account from day 1. You decide when and how to use them — just like your other checking or savings accounts. And the balance carries over from year to year — you do not lose it if unused. You even keep it if you change health plans, change employers or retire.

You manage the account. You can make direct deposits to your HSA through [optumbank.com](https://www.optumbank.com) or you can set up regular, pretax deposits through payroll deduction.

IPG also contributes. Don't leave money on the table! IPG will also make annual contributions to your HSA. Employee only — \$300 and Family — \$600.

You can use it, save it or invest it. The money is there when you need it — now or in the future — to pay for qualified medical expenses for yourself, spouse or any dependent even if they are not covered by your consumer-driven health plan (CDHP). Once you reach the designated threshold of \$2,000, you may choose to invest a portion of your HSA dollars into mutual funds — just like any other retirement account. Visit [optumbank.com](https://www.optumbank.com) to learn more.

Your HSA is not just for doctor visits. In addition to prescriptions and visits to the doctor, use your HSA for other qualified medical expenses such as:

- Dental services like X-rays, braces, fillings, etc.
- Eyeglasses
- Hearing aids
- And more

You get triple tax benefits

Money deposited is tax advantaged. It is not subject to federal income, Social Security and Medicare taxes*. It grows tax-free and can be withdrawn tax-free to pay for qualified medical expenses.



How paying for network care works with an HSA

- Use your OptumBank HSA debit card to pay at the pharmacy, doctor's office or elsewhere
- Pay your bills through Optum's online bill pay or through your UnitedHealthcare member website, myuhc.com®.
- Pay out of pocket and reimburse yourself. You can do that online or by withdrawing money with your debit card from any ATM. (Fees may apply.)

Here's how it works with your health plan:

Step 1

Your HSA is funded

IPG will contribute \$300 (employee-only coverage) or \$600 (other coverage levels) to your OptumBank HSA in January 2021. You can also contribute additional dollars up to the IRS maximum.

2021 IRS maximum contribution (includes IPG's contribution amount):

Employee-only coverage.....	\$3,600
All other coverage levels.....	\$7,200

Step 2

Your deductible

You pay 100% for all services, including prescriptions, until you meet your deductible. You can use an HSA to help pay it.

Network

Employee-only.....	\$2,000
Family.....	\$4,000

Out-of-network

Employee-only.....	\$4,000
Family.....	\$8,000

Pay with your HSA or pay another way

Step 3

Your coinsurance

After you reach the deductible, you share the costs with the plan. You can use an HSA to help pay your share.

Network

Plan pays.....	80%
You pay.....	20%

Out-of-network

Plan pays.....	60%
You pay.....	40%

Step 4

Your out-of-pocket limit

When you reach the limit, you are done paying. The plan pays 100% of covered services for the rest of the coverage year.

Network

Employee only.....	\$6,000
Family.....	\$12,000

Out-of-network

Employee only.....	\$12,000
Family.....	\$24,000

You are done paying

Age 55 or over? The IRS allows an additional "catch-up" contribution of \$1,000 annually.

Preventive care is covered 100% when you use a network doctor.

HSA eligibility

To be eligible to contribute to an HSA, the IRS requires you meet the following criteria:

- Must be covered by an CDHP
- Have no other non-CDHP health coverage
- Cannot be enrolled in Medicare
- Cannot be claimed as a dependent on someone else's tax return

For a complete list of HSA rules, limitations and qualified expenses, see IRS publications 969 and 502 available at irs.gov or call the IRS Helpline at **1-800-829-1040**.

For more information

Call **1-866-679-0946** Monday – Friday, 8 a.m. – 11 p.m. ET to speak with a UnitedHealthcare Benefits Advocate.

Keep your receipts

Save all your receipts for qualified medical expenses. If the IRS asks, you must be able to prove that you used your HSA money only to pay or reimburse yourself for qualified medical expenses.

See the tax savings

David pays 25% in federal income taxes. If David contributes \$3,000 to his HSA in 2021, he will save \$750 in taxes (\$3,000 x .25). If he continues to contribute \$3,000 for the next 10 years and his tax brackets remain the same, he will have saved \$7,500 in taxes on his HSA contributions.* *

* Not subject to Social Security and Medicare tax only if taken as pre-tax deductions from your paycheck.
 ** For illustrative purposes only.

This information serves as an overview of coverage provided to eligible participants enrolled in a consumer driven health plan with a health savings account. If there is a discrepancy between this overview and your official health plan documents, your official health plan documents always prevail. IPG reserves the right to amend, modify or terminate the Plan at any time and for any reason.

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