



# increase benefits without sacrificing profits

Whether you're a recent start-up with a few employees or have been around for years with many, businesses of every size want the best for their team.

A Health Savings Account (HSA) from Allegacy is a dividend-bearing savings account that's similar to an IRA but gives your employees the ability to pay for medical expenses with tax-free money.<sup>1</sup> An HSA can protect them from catastrophic medical costs while building a nest egg of tax-deferred savings.

Whether you're a recent start-up or have been serving your community for years, businesses of every size, shape and structure are faced with evaluating the health care benefits they can afford to provide for their employees. Allegacy's insurance group can help your business offer more while spending less when you give your employees the opportunity to open a Health Savings Account.

#### HOW YOUR EMPLOYEES CAN USE AN HSA

An employee's HSA funds can be used for medical expenses now or in retirement. They can also pay medical expenses for themselves, as well as for their spouse and eligible dependents, even those not covered by their health care plan. However, HSA withdrawals used for anything other than qualified expenses are subject to income tax and a 20% IRS penalty tax (unless due to death or disability).

Allegacy has partnered with Bend Financial to provide an innovative and enhanced web portal for use by individuals with a Health Savings Account (HSA). The co-branded web portal, created by Allegacy and Bend in collaboration, provides tools for engagement, funding, savings and payments.

#### ARE MY EMPLOYEES ELIGIBLE FOR AN HSA?

Employees are eligible for an Allegacy HSA if they are covered by a Qualified High Deductible Health Plan (QHDHP) and are not currently covered by another health plan, enrolled in Medicare or eligible to be claimed as a dependent on another person's tax return.

To be eligible to open and make contributions to an HSA, your company's QHDHP must meet the annual deductible and out-of-pocket expense limits shown in the chart at the top of the back of this page.



be your best you.

<sup>1</sup> The information contained above is for informational purposes only and is not legal or tax advice. Consult a tax advisor for specific details.



Visit us online or call 336.765.2101 to get started.

HDHP Limits*	Self-Only Coverage	Family Coverage
Minimum Annual Deductible	\$1,500	\$3,000
Maximum Out-of-Pocket Expenses	\$7,500	\$15,000

### HOW TO FUND AN HSA

Your company can make contributions to an Allegacy HSA on behalf of eligible employees. This often encourages your employees to select the HDHP and provides additional tax deductions to your business. If you choose to contribute, you must make comparable contributions for all eligible employees, except for certain highly compensated employees, by the employee's tax return due date.

You must show your company's contributions, including those made through a Section 125 cafeteria plan, on IRS Form W-2. Employees who make contributions outside of your cafeteria plan can take a deduction on their individual income tax returns.

Total HSA Contribution Limits*	Self-Only Coverage	Family Coverage
If Age 54 or Younger	\$3,850	\$7,750
If Age 55 or Older additional \$1,000 catch-up contribution on top of self-only or family coverage contribution limit	\$4,850	\$8,750

We encourage you to consult with our team of health benefits advisors to determine if an Allegacy HSA is right for you.

### ALLEGACY CAN HELP YOU CUT HEALTH CARE EXPENSES WITHOUT PINCHING YOUR EMPLOYEES.

We evaluate each company and realize needs are distinctly different and one size doesn't fit all. However, the HSA and QHDHP options are becoming a more cost-effective solution. With the rising cost of health care and health insurance, they are becoming a better solution for more and more companies.

\*Limits are established by the IRS and may change annually. The information contained above is for informational purposes only and is not legal or tax advice. Consult a tax advisor for specific details.  
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