

# Health Savings Account Frequently Asked Questions

## What is a health savings account?

A health savings account (HSA) allows the account holder to save and pay for qualified medical expenses, without paying taxes on contributions, withdrawals or interest. To open an HSA, you must be in an HSA-eligible health plan, such as MESSA ABC or MESSA Balance+. You can use your HSA to pay out-of-pocket medical costs, copayments or coinsurance, as well as other qualified medical expenses.

## I have a MESSA ABC or MESSA Balance+ plan now. Where do I go to start an HSA?

When you enroll in a MESSA ABC or MESSA Balance+ plan, you also receive a HealthEquity HSA. You will receive a member welcome kit directly from HealthEquity with account information. It is important that you take a few minutes to activate your account online. There are no HealthEquity setup fees or monthly administrative fees for MESSA ABC and MESSA Balance+ plan members. Contact your employer if your group has negotiated another HSA provider.

## Who is eligible to contribute to an HSA?

To be eligible to open and contribute to an HSA, you must meet the following requirements:

- Be covered under an HSA-eligible health plan on the first day of any month for which eligibility is claimed (see IRS Publication 969—Health Savings Accounts and Other Tax-Favored Health Plans)
- Not be enrolled in Medicare
- Not be claimed as a dependent on someone else's tax return
- Have no other medical insurance except what's permitted by the IRS

## Who owns the HSA?

The money in the account belongs to you — for the rest of your life.

## Who can put money in my HSA?

Anyone can contribute to your HSA; however, only the account holder can receive tax deductions on money contributed.

## How much money can I contribute to my HSA?

In 2025, the limits are \$4,300 for individuals and \$8,550 for families. People over the age of 55 can make an additional “catch-up” contribution of \$1,000. These limits are the same regardless of the source of the contribution.

## What if I am covered under my spouse's insurance but I want to enroll in one of the MESSA ABC or MESSA Balance+ plans and contribute to an HSA?

If you are covered under another medical plan that is not HSA-compliant, you are not eligible under IRS rules to contribute to an HSA: [irs.gov/publications/p969](https://www.irs.gov/publications/p969)

## Can I have an HSA and a flexible spending account?

In most cases, no. The IRS has specific rules for insurance plans that are allowed to coexist with an HSA and plans that would disqualify you from owning an HSA.

For specific questions, contact your provider or a financial or tax adviser for guidance.

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## What happens to the money in my HSA if I leave my job or retire?

It's **your account**, so you take that money with you. If you're on Medicare or go to another employer that doesn't have a high-deductible health plan, you can still use your HSA money to pay for copays, coinsurance and qualified medical expenses, but you won't be able to contribute more money to your HSA. If you have a HealthEquity HSA, you will begin paying monthly account fees.

## What happens to any money remaining in my HSA at the end of the year?

The money rolls over from year to year. You don't lose the money left in your HSA or the interest it has earned. It's your money.

## Can I take the money out of my HSA any time I want?

Yes. If you use the money to pay for qualified medical expenses, then you will not be taxed or assessed a penalty. If you take money out for other purposes, however, you'll have to pay income taxes on the withdrawal, plus a 20% penalty.

## Does the money in my HSA earn interest?

Yes, and that interest is tax-free.

## Can the money in my HSA be invested?

Yes.

## Can I roll the money from my IRA into my HSA?

Yes. You can make a one-time rollover from your IRA into your HSA. You can't, however, roll money into your IRA from your HSA. Also, a rollover will count against your annual contribution limit.

## If my spouse is on Medicare, can I contribute to an HSA?

Yes.

## What is a qualified medical expense?

Qualified medical expenses are those that would generally qualify for the medical and dental expenses income tax deduction as outlined in IRS Publication 502—Medical and Dental Expenses. See [irs.gov/publications/p502/index.html](https://www.irs.gov/publications/p502/index.html) for a current list.

## Can I use my HSA dollars to pay for medical copayments or coinsurance?

Yes.

## Can I use my HSA dollars to pay for dental expenses, orthodontics, contacts and eyeglasses?

Yes, but these expenses will not apply to your MESSA ABC or MESSA Balance+ insurance deductible.