

# Health savings account

## Smart savings for you and your employees

Help support your employees' financial well-being by offering them a Humana Access® health savings account (HSA)\* to set aside pretax dollars to use for eligible healthcare expenses. You can save an average of 7.65% on payroll taxes for every dollar they contribute.†



### What you need to know about HSAs

**Members must be enrolled in Humana's Savings HSA plan, an IRS-qualified high-deductible health plan, to enroll in a health savings account.**

- Qualifying members can enroll in an HSA at any time during the plan year.
- No use it or lose it rule—members save what they don't spend.
- Members can choose to invest savings for growth, just like a 401(k).
- The account stays with the member, even if they change jobs.



### Improved financial well-being for you and your employees

- **Employer savings:** An HSA decreases your total payroll costs, reducing the amount of taxes you pay. You save on every dollar your employees contribute.
- **Employee savings:** Employees can use tax-free money for eligible healthcare expenses, giving them more money to cover their out-of-pocket healthcare expenses and supporting their financial well-being.
- **Easy to access:** The Humana Access® Mastercard® allows employees to use their card like a credit or debit card to pay for eligible expenses.
- **Less work for you:** Humana's HSA administration is seamlessly coordinated with one Humana Access card for all your spending accounts.
- **Funds belong to the employee:** They keep their HSA account if they leave the company or retire.
- **Flexibility on contributions:** Employees can adjust contribution amounts at any time.



### Employer tax savings example

ACME Co. has 50 employees and annual payroll costs of \$1,250,000. At enrollment, 20 employees chose the healthcare HSA, with an average contribution of \$1,000. So the total value of HSA contributions is \$20,000.

This example is intended to demonstrate a typical tax savings based on 7.65% FICA taxes only. FICA savings of 7.65% may not apply to all participants. Some employees' FICA savings rate may be applicable to Medicare (1.45%). Your specific state may allow additional payroll tax savings.

Example of annual tax savings	With an HSA	Without an HSA
Annual payroll	\$1,250,000	\$1,250,000
Total of employees' pretax contributions	-\$20,000	-\$0
Taxable payroll	\$1,230,000	\$1,250,000
FICA taxes	\$94,095	\$95,625
<b>Employer tax savings</b>	<b>\$1,530</b>	<b>\$0</b>





## Spending accounts benefit you and your bottom line

- Reduce your FICA and federal unemployment tax liability.
- Have more control over healthcare expenses because high-deductible health plans typically have lower premiums than other plan types.
- Contribute as much as you wish to employees' HSAs, tax-free, within IRS guidelines and deduct employee contributions.
- Handle employee contributions are made through pretax paycheck deductions.



## Spending accounts benefit your employees

**Employer- and employee-funded spending accounts help employees manage their out-of-pocket healthcare expenses. Your employees can look forward to:**

- The opportunity to save for healthcare costs both now and into retirement
- Educational resources to maximize their accounts
- Increased engagement in the management of their healthcare<sup>†</sup>
- More value for their dollars by using pretax funds to pay for IRS-qualified medical expense
  - Money goes in tax-free
  - Savings grow tax-free



## Humana Access debit card makes access easy for members

**The key component to our healthcare HSA is the Humana Access card. Here are some of the reasons why employees find the card a welcome addition to their benefits package:**



- Easy, convenient way to use spending account funds—one debit card for all accounts
- No need to pay out of pocket and then wait for reimbursement
- Ability to use the card at most health-related locations like doctors' offices and pharmacies
- Member portal
  - Use one website to manage all spending accounts
  - Access from any device—laptop, tablet or phone
  - Has built-in fraud protection feature



## Easy integration with other spending accounts

**You can save even more money and pair the health savings account with other spending accounts, at no additional cost.**

- Limited purpose flexible spending account (LPFSA)
- Dependent care flexible spending account (DCFSA)



**Pairing a limited purpose FSA with an HSA helps employees set aside money specifically for dental and visions expenses, allowing them to maximize tax savings while preserving HSA funds for growth.**

\* HSAs are only available with the Humana Savings HSA, an IRS-qualified high-deductible health plan.

† Based on average FICA tax rate of 7.65%.