

HSA Basics

A Health Savings Account (HSA) is an account that you can put money into on a tax-free basis to pay for current health expenses and to save for future health expenses.

Basic HSA Eligibility Requirements

- You must be covered under a High Deductible Health Plan (HDHP).
- You must have no other health insurance coverage (except for permitted coverage).
- You must not be enrolled in Medicare.
- You cannot be claimed as a dependent on another person's tax return.

High Deductible Health Plans (HDHPs)

- An HDHP is a health insurance plan with a minimum deductible of \$1,100 for individual coverage and \$2,200 for family coverage.*
- The maximum annual out-of-pocket expenses, including deductibles and copayments, cannot exceed \$5,600 for individual coverage and \$11,200 for family coverage.*

HSA Contribution Requirements

- Contributions may be made by anyone, including the employee and employer.
- Contributions are limited to a maximum of \$2,900 for individuals and \$5,800 for families.*
- Contributions remain in the account from year to year until they are used.

*2008 HSA statutory minimums and maximums. Amounts are adjusted annually.

Additional HSA information can be obtained at www.irs.gov/publications/p969/ar02.html#d0e159

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What are you doing to make sure you have enough money in your Health Savings Account (HSA)?



Ask your Aflac insurance agent/producer for details about our wide range of HSA-compatible insurance policies for all types of consumers.



HSA/HDHP (Health Savings Account/High Deductible Health Plan) arrangements offer a great opportunity to lower the cost of medical insurance; however, they leave you with the responsibility of funding a savings account as well as covering your deductibles, coinsurance, copayments, and other out-of-pocket expenses.

1. What will you do if something happens to you or your family before enough money has been saved in your HSA?
2. What will you do if you use all of your HSA funds one year, and then something happens next year?
3. How will you pay your everyday bills when you are sick or injured since HSA funds are to be used for qualified medical expenses?
4. Will you sacrifice making smart medical decisions (like important doctor visits) so you can build up money in your HSA?

Something to think about:

- In 2005, the average hospital stay was 5.6 days, and cost \$8,534.90.*

For a family:

- The annual contribution maximum allowed to an HSA is \$5,800.**
- Annual out-of-pocket expenses for a high deductible health plan can reach \$11,200,** depending on the plan.

The impact:

- A family would have to save for almost two years at the maximum contribution level to reach the \$11,200** out-of-pocket maximum.

For an individual:

- The annual contribution maximum allowed to an HSA is \$2,900.**
- Annual out-of-pocket expenses for a high deductible health plan can reach \$5,600,** depending on the plan.

The impact:

- An individual would have to save for almost two years at the maximum contribution level to reach the \$5,600** out-of-pocket maximum.

*Hospital Statistics© 2007 Edition, Health Forum LLC, an affiliate of the American Hospital Association.

**2008 HSA statutory minimums and maximums. Amounts are adjusted annually.

So how are you going to put so much money into your HSA year after year?

Aflac has many HSA-compatible insurance policies for all types of consumers.

- Aflac may ease the worry that the HSA may not have enough money to cover out-of-pocket expenses like deductibles, copayments, and other treatment-related costs.
- Aflac pays you cash benefits (unless otherwise assigned) that can be used however you choose—toward everyday living obligations like mortgage or rent payments, utilities, food, or gas.
- Aflac may give policyholders the option of not depleting their HSAs, thereby maximizing the benefits and allowing the accounts to grow for future needs.

