

Health Savings Account (HSA) Benefits Summary

SUMMARY: A Health Savings Account provides important tax advantages that can help you pay health care expenses on a pre-tax basis. By anticipating your family's health care costs, you can actually lower your taxable income. Cash that you now spend on health care may be deducted from your paycheck and placed in your personal Health Savings Account.

You must be enrolled in the College's High Deductible Health Plan (HDHP) to enroll in the Health Savings Account, although you do not have to be covered under the College's dental plan to enroll in a Health Savings Account. Participation in the High Deductible Health Plan and the Health Savings Account are voluntary.

HOW THE PROGRAM WORKS: If you are enrolled in the High Deductible Health Plan, the College will contribute to your personal Health Savings Account on a monthly basis. If single coverage is elected, the College will contribute \$125 per month. If family coverage is elected, the College will contribute \$250 per month.

You may also contribute a portion of your salary to your Health Savings Account by payroll deduction on a pre-tax basis. Your voluntary personal monthly contributions may be increased or decreased throughout the plan year. The money you contribute to your Health Savings Account to pay for eligible health care expenses is deducted from your pay before federal, state or local income and Social Security taxes are withheld. As a result, your taxable income is reduced, and you pay less in taxes.

When you incur an eligible health care expense, you may want to put your Health Savings Account to work right away. The College's Health Savings Accounts are administered by Health Equity, and information about Health Savings Accounts and eligible health care expenses is available at www.healthequity.com.

Health Equity gives you several options to use your money the way you choose: pay an eligible medical expense with your Health Equity Card, pay your provider directly through online payments, or via a request to reimburse yourself by direct deposit or check accompanied by the appropriate documentation to Health Equity. For example, appropriate documentation for medical reimbursement should include an Explanation of Benefits (EOB) statement from Wellmark Blue Cross/Blue Shield stating the amount you owe.

HEALTH SAVINGS ACCOUNT: In 2026, the IRS will allow annual contribution limits of \$4,400 for single coverage and \$8,750 for family coverage with an additional "catch up" allowance of \$1,000 for those persons 55 years of age or older. Any unused and unreimbursed amounts at year-end (December 31) and/or if you leave employment at Western Iowa Tech Community College will remain in your personal Health Savings Account.

You may receive reimbursement for eligible expenses not covered under your benefit plans. Eligible expenses are those which the IRS considers legitimate, tax-deductible health care items, including, but not limited to, orthodontia, physical exams, durable medical equipment, eyeglasses, mental health care and prescribed over-the-counter medications. In addition, you can use the account to receive reimbursement for deductibles and co-payments required under your medical or dental plans. Expenses are reimbursed depending upon how many dollars you have actually accrued in your Health Savings Account.

If you have questions, please contact Human Resources at 317-3159.