

Health Savings Account (HSA) FAQ

What is an HSA?

A Health Savings Account (HSA) is a tax-advantaged savings account designed for individuals covered by a high-deductible health plan (HDHP). Contributions, investment earnings and withdrawals for qualified medical expenses are all tax-free.

Who is eligible to contribute to an HSA?

You can contribute to an HSA if you:

- Are covered by an HSA-eligible HDHP (Consumer Choice Advantage or Value).
- Are not covered by another non-HSA health plan, including your spouse's.
- Are not enrolled in Medicare.
- Are not covered by a general-purpose health care Flexible Spending Account (FSA), including your spouse's.
- You cannot be eligible to be claimed as a dependent on someone else's tax return.

I am electing the PPO Plan; will I be able to contribute to an HSA?

No, the PPO plan is not HSA-eligible. However, you can contribute to a Flexible Spending Account (FSA) to save tax-free for eligible health care expenses.

What are the benefits of an HSA?

- **Tax Savings:** Contributions are made with pre-tax dollars, and interest and withdrawals for qualified medical expenses are tax-free.
- **Reduced Out-of-Pocket Costs:** Use HSA funds for eligible medical, dental, vision and prescription expenses, including your plan's deductible.
- **Long-Term Investment:** Unused funds roll over year to year and can be invested to grow your savings.
- **Future Savings:** Funds can be used for future health care expenses, even in retirement.

How much can I contribute to my HSA?

For 2025, the IRS contribution limits are:

- **Individual:** \$4,300
- **Family:** \$8,550
- **Catch-Up (55 or older):** Additional \$1,000



Nebraska Medicine also contributes to your HSA. The contribution amounts for 2025 are:

- **Colleague Only:** \$1,000
- **Colleague + Spouse:** \$1,500
- **Colleague + Child(ren):** \$1,500
- **Colleague + Family:** \$1,500

Note: For new hires, contributions are prorated based on the date of hire, the time of year hired and completion of the Empower Total Health survey within 30 days of hire.

How do I access or make contributions to my HSA?

- **Access:** Manage your HSA via [Optum Bank](#).
- **Contributions:** Set up payroll contributions during open enrollment, but you can also make changes anytime through Workday. It may take one to two payroll periods for changes to process.

How does Nebraska Medicine contribute to my HSA?

- **New Hires:** Nebraska Medicine will deposit employer contributions approximately two months after your coverage effective date if you complete the Empower Total Health survey within 30 days. New hires will receive a prorated contribution based on the effective date.
- **Existing Employees:** Ensure your account is active to receive annual employer contributions. Please note that if you are a newly eligible colleague, you will receive a prorated funding amount based on when coverage becomes effective.

What expenses can I pay for with my HSA?

HSA funds can be used for:

- Qualified medical, dental, vision and prescription expenses not covered by insurance.
- Long-term care services and insurance.
- COBRA coverage.
- Health insurance for the unemployed.
- Medicare expenses (excluding Medigap).
- Retiree health expenses for individuals aged 65 or older.

Distributions for nonqualified expenses are subject to income tax and a 20% penalty, which is waived in cases of death, disability, or for individuals aged 65 or older.

How do I access my HSA funds?

- **Optum Bank Payment Card:** Use the card directly at the point of service or for bills.
- **Optum Bank Mobile App:** Manage your HSA, pay bills and view balances. Available on the App Store and Google Play.
- **Optum Bank Website:** Pay with cash or another source and get reimbursed by transferring funds to your personal bank account.

What should I do if I encounter issues with my HSA?

- **Account Opening:** Open your HSA within 60 days of hire to qualify for employer contributions. Failure to open an account within this period will result in forfeiture of employer funding.
- **Account Closure:** Contact Optum Bank at 866.234.8913 to open a new account if your current one is closed, as closed accounts cannot be reopened.
- **HSA Transfer:** Upon death, HSA ownership can transfer to a spouse or another named beneficiary.

Where can I find more information?

For additional details, visit [Optum Bank](#) or contact their customer service at 866.234.8913.