



# State of Wisconsin 2024 Health Savings Account Enrollment

## Start taking control of your account today

A health savings account (HSA) is a great way to pay for qualified medical expenses that your insurance plan doesn't cover. It's simple to enroll:

- 1** You can enroll within 30 days of your date of hire, (in an eligible position), or during the annual benefits enrollment period. Coverage will be effective the first of the month on or following your eligibility date.  
Note: You must re-enroll each year, even if you plan to continue your It's Your Choice (IYC), High-Deductible Health Plan (HDHP), enrollment.
- 2** Sign up during the annual benefits enrollment period:  
September 25, 2023 - October 20, 2023
- 3** Decide how much you want to set aside each month for eligible expenses. Your contributions will be withheld from each paycheck before taxes and credited to your account.

A health savings account (HSA) allows you to save money for qualified medical expenses that you're expecting, such as contact lenses or monthly prescriptions, as well as unexpected ones – for this year and the future.

## Why have an HSA?

### You own it

The money is yours until you spend it – even deposits made by others – such as an employer or family member. You keep it, even if you change jobs, health plans or retire.

### Tax savings

HSAs help you plan, save and pay for health care, all while saving on taxes.

- The money you deposit is tax advantaged .
- Savings grow income tax-free.
- Withdrawals for qualified medical expenses are also income tax-free.

### It's not just for doctor visits

Once you've contributed to your account, you can use the funds in your HSA to pay for qualified medical expenses such as:

- Dental care, including extractions and braces
- Vision care, including contact lenses, prescription sunglasses and LASIK surgery
- Prescription medications
- Certain over-the-counter drugs and medications
- Chiropractic services
- Acupuncture

### Contributions add up quickly

When Marcus started his new job, he decided to open an HSA and contribute \$100 per month. Because he hasn't had many medical expenses, he decided not to touch the balance during his first year. Here's how his contributions added up:

- Monthly contribution: \$100
- Annual contribution: \$1,200
- Annual income tax savings\*: \$440

Use the HSA Calculator on [cdn.optum.com/financial/calc/calc.htm](https://cdn.optum.com/financial/calc/calc.htm) to help determine your contributions and see how much you can save on taxes



## Contribution limits

There are contribution limits, set by the Internal Revenue Service (IRS) and adjusted annually.

The limits for 2024 are:

- \$4,150 for individual coverage, (increase from \$3,850 in 2023)
- \$8,300 for family coverage, (increase from \$7,750 in 2023)
- \$1,000 extra if you're 55 or older, also known as catch-up contributions

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## Employer contribution

If you are receiving the employer share of the high deductible health plan premium, your employer contributes an additional:

- \$750 for individual coverage
- \$1,500 for family coverage

Note:

The employer contribution counts toward the maximum IRS limit.

\* Assuming a 24% federal income tax, 5% state tax and 7.65% FICA. Results and amount will vary depending on your particular circumstances.

## Save for the future

Your HSA rolls over from year to year, so you can continue to grow your savings and use it in the future – even into retirement.

## Who can open an HSA?

To be an eligible individual and qualify for an HSA, you must have a qualifying high-deductible health plan (HDHP) that meets IRS guidelines for the annual deductible and out-of-pocket maximum.

In addition, you must:

- Be covered under a qualifying HDHP on the first day of a given month.
- Not be covered by any other health plan except what is permitted (dental, vision, disability and some other types of additional coverage are permissible).
- Not be enrolled in Medicare, TRICARE or TRICARE for Life.
- Have not received Department of Veterans Affairs (VA) benefits within the past three months, except for preventive care. If you are a veteran with a disability rating from the VA, this exclusion does not apply.
- Not be claimed as a dependent on someone else's tax return.
- Not have a health care flexible spending account (FSA) or health reimbursement account (HRA). Alternative plan designs, such as a limited purpose FSA or limited purpose HRA, might be permitted.

Other restrictions and exceptions also apply. Consult a tax, legal or financial advisor to discuss your personal circumstances.

## Open your account

Check with your employer or benefits specialist to learn how you can enroll. You cannot use your HSA to pay for medical expenses you had before you opened your account – so be sure to open your HSA as soon as you are eligible.

If you are electing an HSA for the first time, Optum Financial is required to verify the identity of each HSA participant. If Optum is unable to verify your identity, you will receive an email to provide identifying information. If you do not respond to these requests, your HSA will be declined. Please note that you must have a current physical address on file (non-US addresses and PO Boxes are not permitted).

Want to find out what expenses qualify? Check out the qualified medical expense tool on [store.optum.com/expense-eligibility](https://store.optum.com/expense-eligibility). The medical expense tool can also be found under the resource tab at [myoptumfinancial.com/etf](https://myoptumfinancial.com/etf).

## Investment options

A unique aspect of an HSA is the ability to invest your savings, which may potentially increase the value of your account for retirement. Once your balance reaches \$1,000, you may invest funds above that level in any, or all of the investment options shown on [optumbank.com/investments/fund-lineup.html](https://optumbank.com/investments/fund-lineup.html).



## Download the Optum Financial app

Enjoy an easier way to manage your health savings account. You can pay bills, view transactions, upload receipts and more. Download today on your Apple or Android device.



## Frequently asked questions

### 1. What are the benefits of a health savings account (HSA)?

HSAs are tax-advantaged accounts that help people save and pay for qualified medical expenses. Benefits include:

- Contributions are pre-tax or tax deductible.
- Earnings are income tax-free.
- You can make income tax-free withdrawals for qualified medical expenses.
- You can carry over unused available funds from year to year.
- The HSA is yours to keep even if you change jobs, change health plans or retire.

**Note:** Contributions are tax deductible on your federal tax return. Some states do not recognize HSA contributions as a deduction, and some states tax interest earned on your HSA. Your own HSA contributions are either tax deductible or pre-tax (if made by payroll deduction). Contact your state department of revenue, or consult a qualified tax advisor to see how your state treats HSA contributions.

### 2. Who qualifies for an HSA?

To open an HSA, you must have a qualifying high-deductible health plan (HDHP) and meet other IRS eligibility requirements, unless an exception applies.

- You cannot be covered by any other health plan that is not an HDHP.
- You cannot be currently enrolled in Medicare or TRICARE.
- You cannot be claimed as a dependent on another individual's tax return.

### 3. What is a qualifying HDHP?

This is a health plan that satisfies certain IRS requirements with respect to deductibles and out-of-pocket expenses.

Year	Annual deductible	Out-of-pocket expenses
2024	At least \$1,600 for individual coverage and \$3,200 for family coverage	Not exceeding \$2,500 for individual coverage and \$5,000 for family coverage
2023	At least \$1,500 for individual coverage and \$3,000 for family coverage.	Not exceeding \$2,500 for individual coverage and \$5,000 for family coverage

### 4. What happens to my remaining account balance at the end of the year?

Any remaining available balance automatically rolls over year after year.

### 5. What can I use my HSA for?

You can use the funds in your HSA:

- To pay for qualified medical, dental, vision and prescription drug expenses, including certain over-the-counter drugs and medications, as defined in IRS Publications 502 and 969.
- As supplemental income after age 65. Once you are 65, you can withdraw funds for any reason without paying a penalty, but they will be subject to ordinary income tax. If you are under age 65 and use your HSA funds for nonqualified expenses, you will need to pay taxes on the money you withdraw, as well as an additional 20% penalty.

### 6. Can I use my HSA to pay for qualified medical expenses for a spouse or tax dependent?

Yes, even if your spouse or tax dependent is covered under another health plan. To get personalized details, consult a qualified tax advisor.

### 7. Are health insurance premiums considered qualified medical expenses?

In general, no, but exceptions include qualified long-term-care insurance, COBRA health care continuation coverage, any health plan maintained while receiving unemployment compensation under federal or state law and, for those 65 and over (whether or not they are entitled to Medicare), any employer-sponsored retiree medical coverage premiums for Medicare Part A or B or Medicare HMO. Conversely, premiums for Medigap policies are not qualified medical expenses.

**8. Can I invest my HSA dollars?**

Yes. You can choose to invest your HSA dollars once you reach your investment threshold. Visit [optumbank.com/investments/fund-lineup](https://optumbank.com/investments/fund-lineup) for more details.

**9. Is there a time limit for reimbursing myself?**

You can reimburse yourself at any time for expenses you paid for out of pocket. There is no time limit, but the expenses must have been incurred since you opened your HSA. Your HSA will suspend after 13 months with no activity (contributions or claims)..

**10. How can I use my HSA to pay for medical services?**

You can use your Optum Financial debit card, use online bill pay, or pay out of pocket and then distribute funds from your HSA to reimburse yourself.

**11. What happens to my HSA if I no longer am covered by a qualifying high-deductible health plan (HDHP)?**

While you can no longer contribute to your HSA, you can still use the remaining funds to pay or be reimbursed for future qualified medical expenses.

**12. How much can I contribute to an HSA?**

The IRS sets annual contribution limits each year.

Year	Individual coverage	Family coverage
2024	\$4,150	\$8,300
2023	\$3,850	\$7,750

Note that any contributions made to your HSA by family members, your employer or others count toward this limit.

If you are 55 or older, you can contribute an additional \$1,000 each year.

**Note:** The primary account holder must be 55 or older (even if the spouse is not of that age).

**13. How can I make contributions?**

There are three ways to make a deposit:

- Payroll deductions through your employer, if available.
- Online at [myoptumfinancial.com/etf](https://myoptumfinancial.com/etf) using your personal external checking account.\*
- Mail in a personal check along with the HSA Contribution Form. You can find this form under the “Tools and Resources” section of your account.\*

**14. When can contributions be made?**

Contributions for a taxable year can be made any time within that year and up until the tax filing deadline for the following year, which is typically April 15.

**15. If I change employers, what happens to my HSA?**

Since you are the owner of the HSA, you may continue to maintain the account if you change employers. The funds are yours to keep.

**16. Can I reimburse myself with HSA funds for qualified medical expenses incurred prior to my enrollment in an HSA?**

No. Qualified medical expenses may be reimbursed only if the expenses are incurred after the date your HSA was established.

**17. How do I pay with my HSA?**

To pay for qualified medical expenses, you can:

- Use your Optum Financial debit card
- Use online bill pay
- Pay out of pocket and then reimburse yourself from your HSA

\* Please note that if you make an external personal contribution or check towards your HSA, it will effect your maximum contribution limit and prevent you from receiving an employer HSA contributions. If you have made the full HSA contribution limit, any contributions through your employer will be forfeited

**18. Can I use my HSA to pay for non-health-related expenses?**

Yes. However, any amount of a distribution not used exclusively to pay for qualified medical expenses for you, your spouse or your eligible tax dependents is then included in your gross income. These distributions could be subject to taxes and an additional 20% IRS tax penalty, except in the case of distributions made after your death, disability or reaching age 65.

**19. What happens if my HSA contributions exceed the annual contribution limit?**

If you contribute more than the IRS annual contribution limit, you have until the tax-filing deadline to withdraw excess contributions. If excess contributions are not withdrawn by the tax-filing deadline, an annually assessed excise tax of 6% will be imposed on any excess contributions.

**20. Is tax reporting required for an HSA?**

Yes. You must complete IRS form 8889 each year with your tax return to report total deposits and withdrawals from your account. You do not need to itemize. For more information about tax rules including distribution information, visit [optumbank.com/resources/library/tax-center](http://optumbank.com/resources/library/tax-center) and consult a qualified tax advisor.

**21. What happens to my HSA when I die?**

You should complete a beneficiary designation form to identify who the beneficiary of your account should be in the event of your death. If your spouse is your beneficiary, your spouse will become the owner of the account and assume it as their own HSA. If your beneficiary is anyone other than your spouse or if no beneficiary is chosen, your account will cease to be an HSA. The money in your account will pass to your beneficiaries or become a part of your estate, and it will be subject to applicable taxes.

**22. What happens if I experience a Qualified Life Change Event?**

If you experience a Qualified Life Change Event, such as marriage or divorce; birth or adoption of a child; change in employment status; or other Qualified Life Change Event, you may have the opportunity to enroll or change your coverage outside of the open enrollment period. There are various rules related to life change events. Changes due to a Qualified Life Change Event must be made within 30 days from the date of the event. You are not required to have a Qualifying Life Change Event in order to change your HSA contribution amount. The contribution change will be effective the 1st of the month following the date the application is received.

## Qualified medical expenses

Once you've contributed money to your health savings account (HSA), you can use it to pay for qualified medical expenses for yourself, your spouse and your eligible dependents. In general, the amount you spend will be federal income tax-free.

### Examples of qualified medical expenses

The following list includes common examples of HSA qualified and non-qualified medical expenses. This list is not all-inclusive, and the IRS may modify its list from time to time. For more information, visit [irs.gov](https://www.irs.gov) and search for Publication 502 or 969.

- Acupuncture
- Alcoholism treatment
- Ambulance
- Artificial limbs
- Artificial teeth
- Breast reconstruction surgery (mastectomy-related)
- Chiropractic services
- Cosmetic surgery (only if due to trauma or disease)
- COVID-19 at-home test kits
- Dental treatment (X-rays, fillings, braces, extractions, etc.)
- Diagnostic devices (such as blood sugar test kits for diabetics)
- Doctor's office visits and procedures
- Drug addiction treatment
- Eyeglasses, contact lenses and eye exams
- Eye surgery (such as laser eye surgery or radial keratotomy)
- Fertility enhancements
- Hearing aids (and batteries for use)
- Hospital services
- Laboratory fees
- Long-term care (for medical expenses and premiums)
- Menstrual care products
- Nonprescription drugs and medicine
- Nursing home
- Nursing services
- Operations/surgery (excluding unnecessary cosmetic surgery)
- (Certain) over-the-counter drugs and medications
- Personal protective equipments (masks)
- Physical therapy
- Prescription medicines or drugs
- Psychiatric care
- Psychologist counseling
- Sanitizing wipes for COVID-19 protection
- Speech therapy
- Stop-smoking programs
- Vasectomy
- Weight-loss programs (must be to treat a specific disease diagnosed by a physician)
- Wheelchairs
- X-rays

## Expenses that don't qualify

- Advance payment for future medical care
- Amounts reimbursed from any other source (such as other health coverage or a flexible spending account)
- Babysitting, child care and nursing services for a normal, healthy baby
- Cosmetic surgery (unless due to trauma or disease)
- Diaper services
- Electrolysis or hair removal
- Funeral expenses
- Gasoline expenses to doctor visits
- Health club dues
- Household help
- Massage (unless a prescription is presented)
- Maternity clothes
- Meals
- Nutritional supplements
- Personal-use items (such as toothbrush, toothpaste)
- Swimming lessons
- Teeth whitening
- Weight-loss programs (unless prescribed to treat a specific disease)

### What happens if I use my HSA for a non-qualified expense?

If you pay for anything other than qualified expenses with your HSA, the amount will be taxable. If you are 64 or younger, you will also pay an additional 20% tax penalty. If you are 65 or older, the tax penalty does not apply, but the amount must be reported as taxable income.





## Helpful online tools

Once you've opened a health savings account (HSA), you have access to a number of tools and resources at [myoptumfinancial.com/etf](https://myoptumfinancial.com/etf), making it easy to manage your account online. They can help you use your HSA today and help plan for the future.



### Sign into your account anywhere, anytime to:

Pay bills to physicians, dentists or other health care providers

- Make deposits
- Reimburse yourself
- Set up and manage account alerts
- Upload and store receipts
- Check monthly statements
- Manage investment activity



### Qualified medical expense tool

With the search tool you can filter by account type and expense type to find out what is considered a qualified medical expense by the IRS.



### Health savings checkup

Wondering how much money you will need for health care expenses in retirement? Take the Optum Financial health savings checkup. Answer a few questions about your health, your HSA activity and retirement goals, and you will receive a personalized snapshot of your potential health care expenses in retirement. It will show you how much Medicare will cover, what your predicted HSA balance will cover and how much more you might need to plan on saving. You'll also get ideas to help you stay healthy, spend less and save more.



### Upload your receipts

Be sure to save all receipts for your qualified medical expenses in the event that you are audited. Log into your account and upload images of your receipts online and store them using our "virtual shoebox" called HSA Save-It.



### HSA calculators

Find out your maximum contribution limit based on your plan type (individual or family), your age and amount that your employer contributes to your account.

- Calculate your yearly tax savings based on how much you plan to contribute to your HSA.
- See what the potential future value of your HSA could be and how much it may potentially grow over time.



### Contribution tracker

See how much you have contributed to your HSA year-to-date, and how much more could be contributed according to your plan coverage (individual or family) with the contribution tracker.



### Asset allocation calculator

If you choose to invest some of the money in your HSA, the HSA asset allocation calculator can help you decide which mutual funds to select, based on asset class. Simply answer a few questions, and the calculator will show you a suggested distribution of how to spread out your investment dollars. Be sure to discuss with your financial advisor if investing the money in your HSA is right for you.

## Account access

### Optum Financial State of Wisconsin ETF microsite and mobile (Optum Financial) application helps you manage your accounts

Simple and easy to navigate portal design so you can get in, get the information you need and get back to your life.

- Stay on top of your account – Check your balances, payments and claims activity.
- Payments from Any Screen – Quickly and easily request reimbursement to yourself from any page.
- Take Control – Settings and Preferences section allows you to manage your personal information, set up Direct Deposit, enroll in text alerts and set up dependents.
- Helpful account information – Check out FAQs, important messages, claims payments, account contributions and more.

### Access to account information and payments features at your fingertips through the mobile app:

- Check account balances and claim status
- Submit a reimbursement request
- Upload claim documentation
- Set up direct deposit
- Tap to call the Customer Service Center
- See eligible expenses and FAQs



### Optum Financial payment card allows immediate access to HSA funds without the need to submit a claim.

- Complete control and convenience – Accepted at thousands of providers across the country. You choose when and where to use your card to cover the medical care you need.



## Contact Customer Service

Live support available 24 hours a day, 365 days a year

To speak to customer service, call the dedicated State of Wisconsin number at **1-833-881-8158**

For live chat, sign in to your online portal and select “Chat”

### Email address:

[service@optumfinancial.com](mailto:service@optumfinancial.com)

