

Optum Financial[®]

Health benefit account options

Welcome to Open Enrollment 2024



Instructions

Important note

This presentation is designed to provide education and tips for several health benefit account types.

Contents and page numbers are provided to assist you with quickly finding the content relevant to you.

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Get to know Optum Financial

We are here to help make health care work better for you



Ways to save

Choose accounts to help you with life's most important expenses.

- HSAs, FSAs, HRAs, Lifestyle Accounts
- Commuter
- COBRA Administration



Resources

Information at your fingertips through engaging videos, courses, flyers, webinars.



Technology

Innovative tools help you use, manage, and maximize your accounts.



Easy payments

Payment cards that can be used most anywhere and digital wallet capabilities (offered for some account types)

Let's learn about HSAs

What is an HSA?

A health savings account, or HSA, is an account that saves you money by letting you use income tax-free dollars to pay for qualified medical, dental, & vision expenses



Sign up during enrollment. HSAs are compatible with a qualifying high deductible health plan (HDHP).



Contribute income-tax free money to your account –up to IRS limits – and adjust at any time during the year.



Spend your HSA dollars on hundreds of items – like glasses, Rx refills, and doctor visits.



Earn potential interest on your balance. Choose to invest HSA funds for potential added growth, after meeting minimum balance.



Balances carry over from year-to-year, to new jobs, and into retirement.



An HSA is designed to help you save money for use today or later



How an HSA helps you save money

Save, earn and spend income tax-free (legally)



Money in. Deposits are exempt from income tax



Earnings. Interest and potential investment growth are income tax-free



Money out. Funds spent on qualified medical expenses are income tax-free

HSA savings in action - meet Jake

Meet Jake. He's 27 and considers himself fairly healthy. When he 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. Once he turns 40, he begins using \$500 each year after that to cover his health costs. Here's how Jake's balance grows:



Assuming 22% federal income tax and 7.65% FICA. Results and amount will vary depending on your particular circumstances

What's covered under an HSA?

Save on out-of-pocket costs head to toe



Acupuncture



Chiropractic Care



Eye exams, glasses, & contacts



Flu shots



Nursing services



Orthodontia (non cosmetic)



Physical exam



Physical therapy



Prescription drugs & refills



Psychiatric care



Sunscreen, SPF 15+

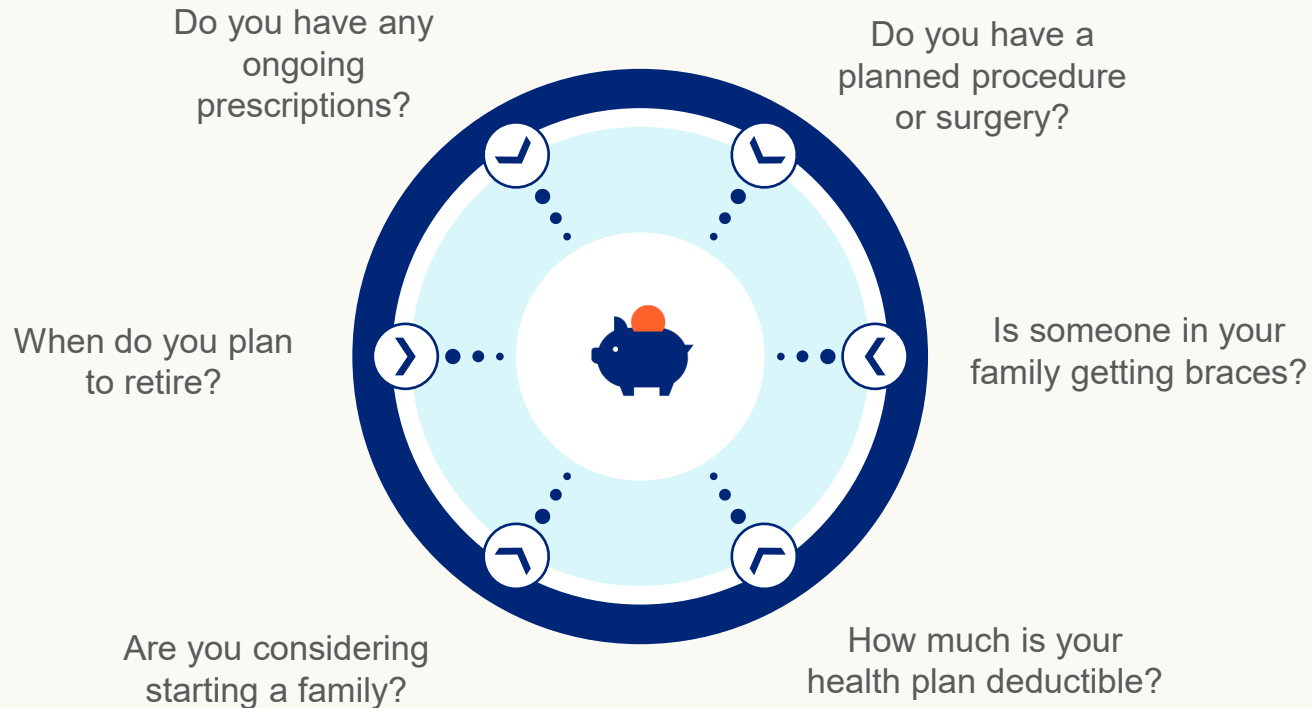


Wheelchair, walkers, crutches, & canes

**Use the Qualified
Medical Expense Tool
on
optumfinancial.com
to see if your specific
expense qualifies for
reimbursement**

How much should I contribute? How much can I contribute?

Things to consider when choosing your contribution amount



2023 Limits

Individual: \$3,850

Family: \$7,750

2024 Limits

Individual: \$4,150

Family: \$8,300

When you are 55 or older, and not enrolled in Medicare, you can fund an additional **\$1,000 each year**, called a catch-up contribution.

How do I know if I'm eligible for an HSA?

Most people covered under a qualifying high-deductible health plan (HDHP) are eligible. Here are a few more IRS requirements.



- You are not covered by any other health plan that is not an HDHP
- You are not enrolled in Medicare, TRICARE or TRICARE for Life
- You haven't received Veterans Affairs (VA) benefits within the past three months, except for preventive care; if you have a disability rating from the VA, this exclusion doesn't apply
- You can't be claimed as a dependent on someone else's tax return
- You do not have a health care flexible spending account (FSA) or health reimbursement arrangement (HRA). Alternative plan designs, such as a limited-purpose FSA or HRA, might be permitted.
- Other restrictions and exceptions may also apply. We recommend that you consult a tax, legal or financial advisor to discuss your personal circumstances

Investing in your HSA



Options for every type of investor

1

Mutual funds – *if you'd like to choose from a pre-selected list of mutual funds*

- A diverse variety of mutual funds
- High Morningstar ratings
- Low expense ratios

2

Digitally managed investments – *if you're short on time or need help*

- Online investment support from Betterment
- Brief questionnaire on goals, risk profile
- Low-cost exchange traded funds (ETFs)
- Auto-deposits and automated rebalancing

Savings potential

Let's say you contribute \$3,000 a year to your HSA until retirement. Assuming you use \$1,500 a year for medical expenses, earn 7% a year in interest and investments, and reinvest all earnings, your savings can really add up. But, the earlier you start, the more potential you have. See how starting in your early years can really pay off.

Starting age	HSA value at age 65 ¹
25	\$320,420
35	\$151,613
45	\$65,799
55	\$22,176

Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

Account holders must meet the minimum balance to begin investing, this amount may vary, check your online account or plan documents.

¹Hypothetical example for illustrative purposes only. Amounts will vary depending on your unique circumstances.

How can I access my account?



Online portal

- Make deposits
- Pay bills
- Reimburse yourself
- Manage your investment activity



Mobile app

- Pay bills, track payments, and reimburse yourself
- Search for qualified medical expenses
- Capture and submit receipts
- Easily deposit funds
- Calculate your contributions
- Update your beneficiary



Payment card

- Pay the easier way at the doctor's office, chiropractor or pharmacy
- Use your card to pay for qualified medical expenses online
- Order additional cards for family members covered under your plan



It's easy to check account information, submit receipts, reimburse yourself

Common questions ?

You've got questions, we've got answers



Who owns my HSA?



Do I need to keep my receipts?



I already have an HSA. Can I open another?

More questions? Visit optumfinancial.com for other frequently asked questions.

Get started now with your Optum Financial HSA

1 Check your enrollment dates



2 Select an HSA for year-round savings and benefits



3 Adjust contribution amounts throughout the year; spend and use your account for your care.



For more information, visit optumfinancial.com

Learn about FSAs

What is an FSA?

A flexible spending account (FSA) is an account that allows you to use pre-tax dollars to pay for eligible expenses



Contribute pre-tax dollars



Use to pay for eligible expenses



Use the money by the end of the plan year. Some plans have carryover



FSA's help stretch your budget by giving you tax savings on your every-day health care.



Three types of FSAs

1

Health care

Helps pay for certain medical, dental, vision, prescription drug and eligible over-the-counter expenses



2

Limited purpose

Offered alongside an HSA to help pay for dental and vision expenses



3

Dependent care

Allows use of pre-tax dollars to pay for eligible dependent care services incurred while you work



Sample eligible expenses

1 Health care



- Acupuncture
- Anesthesia
- Alcoholism treatment
- Bandages
- Blood pressure monitor
- Chiropractic care
- Co-payments
- Contact lenses
- Deductibles
- Eyeglasses
- Eye surgery
- First aid kits
- Flu shots
- Hearing aids
- Lab fees
- Lasik
- Learning disability treatments
- Orthodontia

2 Limited purpose



- Dental and vision co-insurance, deductible
- Dental visits
- Eye examinations
- Prescription eyeglasses
- Eye surgery
- Invisalign
- Lasik
- Optometrist

3 Dependent care



- After-school program
- Babysitting
- Childcare
- Nanny
- Nursery school
- Preschool
- Sick childcare
- Summer day camp
- Adult day care center
- Eldercare
- Senior day care
- Transportation to/from eligible care

Use the Qualified Medical Expense Tool on optumfinancial.com to see if your specific expense qualifies for reimbursement

Contribution limits

1 Health care

Helps pay for certain medical, dental, vision, prescription drug and qualified over-the-counter expenses



2 Limited purpose

Offered alongside an HSA to help pay for dental and vision expenses



3 Dependent care

Allows use of pre-tax dollars to pay for dependent-care services incurred while you work



2023 IRS Contribution limits:

\$3,050 individual



\$5,000 per year for couples filing jointly or single parent; **\$2,500** per year per parent filing separately

How much can you save?



Assume Mike earns \$55,000 a year and contributes \$2,000 to his FSA

That's **\$593** in potential
income tax savings



	With FSA
Annual pay	\$55,000
Pre-tax FSA contribution	\$2,000
Taxable income	\$53,000
Federal income & Social Security taxes	\$15,715
After tax dollars spent on eligible expenses	\$0
Spendable income	\$37,286
Mike's tax savings	\$593

*Assuming 22% federal income tax and 7.65% FICA. Results and amount will vary depending on your particular circumstances.

How can I access my account?



Online portal

- Check your balance
- Submit receipts
- Reimburse yourself



Mobile app

- Pay bills, track payments, and reimburse yourself
- Search for eligible medical expenses
- Capture and submit receipts



Payment card

- Pay the easier way at the doctor's office, chiropractor or pharmacy
- Use your card to pay for eligible medical expenses online
- Order additional cards for family members covered under your plan



It's easy to check account information, submit receipts, reimburse yourself

How can I use my FSA to pay for eligible expenses?



Payment card

Allows you to pay for health care services at the point of care

Most purchases are automatically substantiated, which means less paperwork for you



Mobile or online claim submission

Complete interactive claim form on the mobile app or online

Snap a picture of your documents and quickly upload either online or via mobile app



Paper claim form

Submit paper claim form to Optum Financial with required documentation via fax or U.S. mail

Common questions ?

You've got questions, we've got answers



When can I request reimbursement?



How will I be able to access my account funds?



Will I have to submit documentation for card payments?

More questions? Visit optumfinancial.com for other frequently asked questions.

Get started now

Make the most of your Optum Financial FSA throughout the year

1

Enroll in your plan by the deadline



2

Spend your funds, don't lose them



3

Use the Optum Store for discounts on eligible expenses



For more information, visit optumfinancial.com

Let's learn about commuter benefit accounts

Fast lane to tax savings

Commuter benefits let you set aside pre-tax dollars to pay for work-related transportation costs



Select your commuter products online



Lower your taxable income



Less taxes = more money in your pocket

How much can I contribute?



How much can you save?

You can potentially save hundreds on your daily commute

That's **\$1,068** back in your pocket, just for getting yourself to work in a commuter-approved form of transportation!



	Example
Monthly commute	\$300
Combined federal and Social Security taxes	29.65%
Estimated monthly savings	\$89
Estimated yearly savings	\$1,068*

*Assuming 22% federal income tax and 7.65% FICA. Results and amount will vary depending on your particular circumstances.

Eligible transit options

Buses



Trains & Subways



Ferries



Vanpools



Rideshares



Eligible parking options

At or near work



Park & ride



How does it work?

Option 1



Use your payment card to pay for transit expenses

Option 2



Purchase a transit pass; we'll mail it to you each month

Option 3



Receive a voucher to purchase a transit pass

How do I use my transit funds?

Payment card



Bus or train passes



Transit vouchers



Vanpool vouchers



How do I use my parking funds?

Payment card



Parking cash reimbursement



Parking vouchers



Direct pay to garages



Common questions ?

You've got questions, we've got answers



Can I order the exact pass that I use now?



Do I remember to place my order each month?



Is there a certain date I must order my passes?



What expenses can be purchased pre-tax?

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Get started now with your Optum Financial commuter benefits

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Learn about HRAs

What is an HRA?

A health reimbursement arrangement, or HRA, is an employer-funded plan that helps cover health care costs for eligible expenses



Allowed with most types of health plans



Funds are not taxable to the employee



Funded by employer



Employer can choose to have unused funds roll over from year to year

How does an HRA work?

Your employer funds your account

1. Determines the annual contribution amount
2. Determines when funds are available
3. Determines if funds roll over from year to year



You use your account for eligible expenses

1. Check your account balance regularly to know how much you have available to spend on eligible expenses
2. Pay for eligible expenses using your payment card or by using personal funds and submitting a claim. Or send a payment directly to your provider from your account

How do I benefit from an HRA?

Financial security



Money is there
when you need it

Control



Yours to use

Rapid reimbursement



Paying for health
care expenses is
quick and easy

Simplicity



Easy to use

What's covered under an HRA?

Save on out-of-pocket costs head to toe



Acupuncture



Chiropractic Care



Eye exams, glasses, & contacts



Flu shots



Nursing Services



Orthodontia (non cosmetic)



Physical Exam



Physical Therapy



Prescription drugs & refills



Psychiatric care



Sunscreen – SPF 15+



Wheelchair, walkers, crutches, & canes

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How can I access my account?



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- Submit receipts
- Submit reimbursement requests



Mobile app

- Reimburse yourself
- Search for eligible medical expenses
- Capture and submit receipts
- Check your balance



Payment card

- Pay the easier way at the doctor's office, chiropractor or pharmacy
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- Order additional cards for family members covered under your plan



It's easy to check account information, submit receipts, reimburse yourself

Common questions ?

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Can I use an HRA if I have health insurance?



When can I request reimbursement?



How will I be able to access my account funds?

More questions? Visit optumfinancial.com for other frequently asked questions.

Get started now

Make the most of your Optum Financial HRA throughout the year

1

Know your plan deadlines



2

Understand plan deadlines



3

Spend your funds, don't lose them



For more information, visit optumfinancial.com

Q&A

Optum

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Flexible spending accounts (FSAs), dependent care assistance programs (DCAPs), health reimbursement arrangements (HRAs), Commuter and Parking Benefits, Tuition Assistance Plans, Adoption Assistance Plans, Surrogacy Assistance Plans, Wellness Benefits, and Lifestyle Accounts (collectively, "Employer-Sponsored Plans") are administered on behalf of your plan sponsor by Optum Financial, Inc. or ConnectYourCare, LLC (collectively, "Optum Financial") and are subject to eligibility and restrictions. Employer-Sponsored Plans are not individually owned and amounts available under the Employer-Sponsored Plan are not FDIC insured.

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