



THE VALUE OF A HEALTH SAVINGS ACCOUNT

When we decided to harmonize HBC's benefits, one element we considered absolutely essential was including the option of a Health Savings Account (HSA) into all three of our new medical plan options. Why is the HSA so important? Read on to learn more.

What is an HSA?

An HSA is a key component of Consumer Driven Health Plans because it allows you to save pre-tax dollars to help pay for health care expenses. This can include initial expenses like deductibles and out-of-pocket costs but it can also be used to save for future health care needs because, **unlike flexible savings accounts (FSA) the money in an HSA is not subject to a "use it or lose it" requirement.** Whatever is left in the account at the end of the year rolls over to the following year allowing you to build a nest-egg for future medical expenses.

HBC Contribution to the HSA

As an added feature, if you enroll in the Gold or Silver medical plan options, **HBC will contribute money automatically into your HSA at the beginning of the plan year.** You can receive a **\$250 tax-free contribution** if you enroll in Associate only coverage, or **\$500 contribution for family coverage.** (The Bronze plan also allows you to enroll in an HSA, but does not have company-provided contributions.) HBC will make an added contribution if Associates (and covered spouses / Domestic Partners) complete wellness incentives - an additional \$250 for Associate-only coverage or \$500 for family coverage. **That means HBC is covering up to the first \$500 (or \$1,000 for a family) in health care expenses.**

Your Contribution to the HSA

Aside from the company contribution, Associates are encouraged to make contributions to the account themselves. By doing so, you set aside tax-free dollars to be used throughout the year on eligible health care expenses. And remember this money rolls over each year.

Another key feature is the triple tax free advantage. All contributions to your account – both HBC and your own – are made on a pre-tax basis, which means the amount you contribute is not included as part of your taxable income. Second, the balance in your HSA accrues interest, tax free. Third, the withdrawals for qualified medical expenses aren't taxed. The tax advantage alone can save you thousands of dollars over time.



Finally, even if you change jobs or retire, **the money you've accumulated in your HSA is yours to keep** and will be there to help protect your wallet from big medical expenses that may come down the road.

Keep checking on our benefits website (www.myhbcbenefits.com) to learn more about the Health Savings Account.

Note: Puerto Rico and Hawaii Associates have different options. Please refer to your local medical, dental and vision plans for details