Tax-deductible contributions *and* tax-free distributions.

The best of both worlds is possible with a health savings account (HSA).

An HSA not only helps you get a handle on rising health care costs, but provides a tax-advantaged way to save.

Learn more today.

For More Information

The questions and answers contained in this brochure are simplified. Before making any decisions, LCEF encourages you to consult with your tax advisor.

For more information or questions, call LCEF at 800-843-5233.

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Health Savings Accounts

Balancing Rising Health Care Costs

Lutheran Church Extension Fund
› where investments build ministry

lcef.org

"I like the HSA because not only can I deduct my HSA contributions, but I may not have to pay taxes on the money when it comes out."

Why Launch an HSA?

Up, Up, and Away

Before you launch your HSA, take a look at your health insurance coverage. To contribute, you must be covered under an HSA-eligible high deductible health plan (HDHP). An HDHP generally requires that you pay out of pocket for medical expenses incurred (excluding certain preventive care expenses) until your deductible is met. Plan coverage kicks in after that. An HDHP may be HSA-eligible if it satisfies the IRS' annual deductible and out-of-pocket expense limits. But the rules that define an HSA-eligible HDHP can be complicated so check with your insurance provider or employer to see if your health plan is HSA-eligible.

In addition to having HSA-eligible HDHP coverage, you

- cannot be covered by another health plan (with limited exceptions),
- cannot be enrolled in Medicare, and
- cannot be eligible to be claimed as a dependent on another person's tax return.

HSA eligibility is determined as of the first day of each month.

High Deductible Health Plan Limits*

	Year	Self-Only Coverage	Family Coverage
Minimum annual deductible	2018	$1,350	$2,700
	2019	$1,350	$2,700
Maximum out-of-pocket expenses	2018	$6,650	$13,300
	2019	$6,750	$13,500

Note: *Self-only coverage covers only an individual. Family coverage covers an individual plus one or more dependents.*

The Sky's the Limit...Well, Almost

As long as you don't go over the limits that apply to your type of insurance coverage, you can contribute as much as you want, as often as you want throughout the year until your tax return due date (generally April 15 of the following year). In fact, anyone can contribute for you, even your employer.

HSA Contribution Limits*

Year	Self-Only Coverage	If age 55 or older	Family Coverage	If age 55 or older
2018	$3,450	$4,450	$6,900	$7,900
2019	$3,500	$4,500	$7,000	$8,000

A Tax-Deductible Take-Off

As your HSA contributions take off, don't forget about that tax deduction. As long as you cannot be claimed as a dependent on another person's tax return, you can deduct your HSA contributions (except those made by your employer).

A Tax-Free Landing

When it's time to take money out of your HSA, prepare for a smooth landing without tax or penalty. Simply use the money for qualified medical expenses. This generally includes most medical, dental, and vision care expenses that are incurred by either you, your spouse, or any dependents.

HSA distributions not used for qualified medical expenses are subject to ordinary income tax and, if taken before age 65, a 20 percent IRS penalty tax (unless the distribution is because of death or disability).

Be sure to consult with a competent tax advisor regarding your HSA deductions and how to claim tax-free HSA distributions.

*These limits are subject to annual cost-of-living adjustments.