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EMPLOYEE SERVICES

Health Saving Account (HSA): Fact Sheet

If you are enrolled in the CU Health Plan – High Deductible, a Health Savings Account (HSA) is a strategic option that helps you maximize your health care dollars now and into the future.

Health Savings Account Advantages

A savings account that is designed to maximize your health care dollars.

A Health Savings Account (HSA) is a savings account that you own and manage through Optum Bank to pay for qualified healthcare expenses that your medical, dental or vision plans do not cover. Visit the Optum Bank website to learn more.

Saving on expenses today.

- You can use the pretax contributions you make to the account to pay for current qualifying health care expenses. Visit the Qualifying Health Care Expenses website to view what items or services are a qualified expense.
- You can also use the account to pay for qualified health care expenses for your spouse, children and anyone whom you claim as a dependent on your tax return.

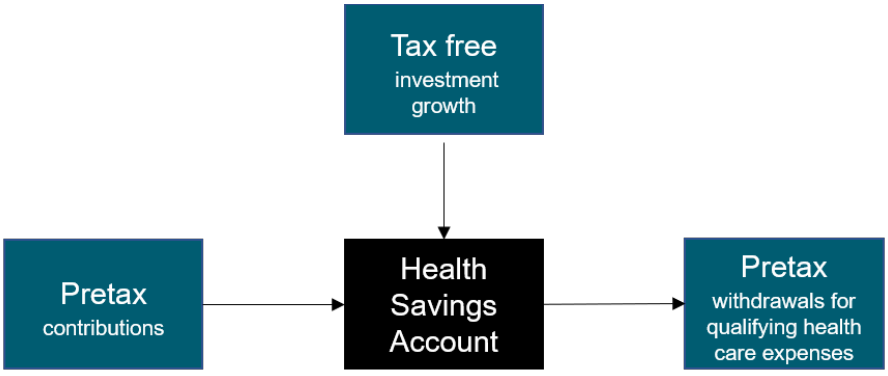
Saving on expenses in retirement.

- Your HSA funds can be used in retirement creating a tax-free option for the same qualifying health care expenses as long as you are not covered by Medicare.
- Once you become Medicare eligible, Part A or B, you can use the funds, however you can no longer make contributions.

Coupled with a low/no premium, High Deductible plan, an HSA allows you to save the money you would have been spending on higher monthly premiums with a Low Deductible medical plan.

The HSA has a triple-tax benefit: contributions are pretax, any growth is tax-free and qualifying health care expenses are also tax-free. Visit the Qualifying Health Care Expenses website to view what items or services are a qualified expense.

After your account reaches $1,000, you can choose to invest a portion of your savings through Optum Bank. Visit the Optum Bank website to learn more.



Dollars used on qualifying health care expenses are **NEVER** taxed.

Health Savings Account Details

The HSA is regulated by the Internal Revenue Service (IRS), who determines eligibility, contribution limits and qualifying expenses. Funds in the account must be utilized for qualifying expenses, or you will pay both taxes and penalties. Visit the Qualifying Health Care Expenses website to view what items or services are a qualified expense. It is recommended that you keep itemized statements/invoices to support your qualifying expenses since the IRS may require you to substantiate a transaction. Visit the Internal Revenue Service (IRS) website to learn more.

Eligibility

- If you are enrolled in CU Health Plan – High Deductible Medical Plan, single or family coverage, you are eligible to enroll in the HSA.
- According to IRS regulations if you have any other type of medical plan coverage (that is not an IRS qualified High Deductible Plan including Medicare* or TRICARE), are claimed as a dependent on someone else's previous year tax return or currently contributing to a Health Care Flexible Spending Account (HCFSA) you are ineligible to enroll in the HSA.

Enrollment

- You can enroll, cancel or make changes to your contribution at any time by submitting a new HSA Authorization Form (PDF) or by contacting the Benefits Administration office at benefits@cu.edu or 303-860-4200, option 3. If the form is submitted by the 10th of the month, it will be effective for that month's pay cycle. Otherwise, it will take effect the following month.
- **HSA Open Enrollment:** Every fall, Employee Services offers an HSA Open Enrollment period where you can go directly to your employee portal to enroll or update your contributions for the following calendar year.
- You may also make lump sum contributions by submitting the HSA Authorization Form (PDF) to Employee Services.
- Your HSA contributions are calculated on a calendar year basis. At the time of enrollment, you elect the yearly contribution, and that amount will be divided by the number of remaining pay periods in the year. Your final contribution will be in December; however, the same annual contribution will continue for the following calendar year (same amount divided by 12 months) unless you make changes.

Contributions

- You can contribute as little as $10 a month or take advantage of the maximum monthly contribution allowed through monthly payroll deductions.
- If your spouse is also contributing to an HSA, make sure you do not go over the $9,000, which is the combined annual limit for the household.
- You should not contribute to your HSA up to six months prior to enrolling in Medicare Part A or B* to avoid any penalties.

IRS Contribution Limits

- **For 2026:** $4,400 for individual coverage and $8,750 for family (2+ members) coverage. If you are age 55 or older, you can make an additional catch-up contribution of $1,000.
- **For 2027:** $4,500 for individual coverage and $9,000 for family (2+ members) coverage. If you are age 55 or older, you can make an additional catch-up contribution of $1,000.

Plan Administrator

- CU's HSA is administered by Optum Bank.
- Optum Bank will mail you a welcome packet along with your HSA debit card.
- You can either pay with the debit card or pay out-of-pocket and reimburse yourself later from your available HSA funds.
- You will login to manage your account, name beneficiaries and allocate your investments.
- Visit the Optum Bank website to learn more about Optum Bank and how to manage your account.

Resources

Optum Bank website (www.optumbank.com)

What is an HSA? (Optum video) (www.optumbank.com/health-accounts/hsa.html)

Qualifying Expenses website (www.optumbank.com/all-products/medical-expenses.html)

HSA Authorization Form (PDF) (www.cu.edu/docs/one-time-lump-sum-hsa-authorization-form)

HSA and FSA Comparison website (www.cu.edu/docs/hsa-and-hcfsa-comparison-chart)

Internal Revenue Service (IRS) Publication 969 (PDF) (www.irs.gov/pub/irs-pdf/p969.pdf)

Internal Revenue Service (IRS) Publication 502- Expenses website (www.irs.gov/publications/p502)

CU Plan Document (PDF) (www.cu.edu/docs/flexible-benefits-plan)

Employee Portal (my.cu.edu)

Effect on Social Security

HSA dollars are deducted from your pay pretax, meaning before federal, state, Social Security and Medicare taxes are paid. Participating in the HSA may reduce slightly the salary on which annual contributions to Social Security are calculated, which may result in a reduction of the Social Security benefits received at retirement.

Effect on PERA

The Health Savings Account (HSA) does not affect your PERA's highest average salary calculation.

Questions

For questions about the plan or how to enroll, speak to a benefits professional by calling 303-860-4200, option 3, Monday to Friday, 8:00 a.m. to 5:00 p.m.

For questions about your account, debit card, balance, or any other questions, visit the Optum Bank website or call 1-844-326-7967.

*If you contribute to an HSA after your Medicare coverage starts, you may be subject to tax and penalties. Medicare Part A coverage will be backdated six months prior to the date you apply for Medicare Part B or Social Security Benefits, but no earlier than the first of the month in which you were eligible for Medicare. To avoid a tax penalty, you should not contribute to your HSA up to six months prior to enrolling in Medicare.