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Health Savings Accounts: Good for your physical and financial health [1]



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There's more a Health Savings Account (HSA) [3] than just paying for health care expenses — it's a good tool to care for your physical and financial health.

An HSA can reduce annual tax liability while building long-term savings for retirement security and future health from head to toe.

Unlike a Flexible Spending Account (FSA) that requires users to spend their saved balance each year or forfeit the remainder, an HSA is a way to keep, grow and protect pre-tax money. The money stays put until it's spent on qualified health care or prescription costs, even if an employee leaves the University of Colorado in any capacity.

Plus, account holders can even choose to invest their HSA funds to grow their balance beyond their direct contributions.

An HSA is a flexible and valuable tool, especially for those who currently have modest health care needs and don't usually have enough tax-exempt expenses in a year to justify itemizing their tax deductions. With an HSA, employees can make sure they're getting the tax relief on their medical costs.

When can I sign up?

The University of Colorado's HSA is open only to faculty and staff enrolled in CU's High Deductible medical plan [4].

This year's HSA Open Enrollment runs from 8 a.m. MST Monday, Nov. 18, until 5 p.m. MST Friday, Dec. 6.

Changes can be made through the employee portal during open enrollment. The rest of the year, the only way to start, stop or change HSA contributions is by submitting the HSA Authorization Form [5] to Employee Services.

Faculty and staff can enroll or update their contributions at any point in the year. However, HSA Open Enrollment is a great time for eligible employees to conveniently enroll or for

current HSA enrollees to reassess their savings needs and capacity for the new tax year.

What’s changing with Health Savings Accounts?

The 2025 contribution limits are increasing:

- Individual contribution limit has increased by $150 to $4,300.
- Individual contribution limit for age 55 and older increased to $5,300.
- Family contribution limit has increased by $250 to $8,550.
- Family contribution limit for age 55 and older increased to $9,550.

How can eligible employees sign up?

Learn more about HSAs, qualified expenses and how to enroll on the Employee Services website [3].

By taking action during HSA Open Enrollment, faculty and staff can ensure their changes will be made effective Jan. 1 and their contributions can be evenly distributed throughout the year.

If current HSA members would like to make a catch-up contribution for 2024, they can also make a lump sum contribution by submitting the HSA Authorization Form [5] to Employee Services by Dec. 6, 2024.

CU Health Plans [6]
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