



# Health Savings Accounts (HSA)

## Understanding HSAs and how they benefit you

An HSA is a tax advantaged savings account that you can use to pay for out-of-pocket medical expenses or to build savings for retirement. The HSA is an important part of how your medical plan was designed. Understanding how it works will help you get the most value and savings out of your medical benefits.

### The value of an HSA

#### Three ways to save on taxes

An HSA is a “tax advantaged” account and helps you save in three ways:

1. You contribute to your account through pre-tax payroll deductions which reduces your total taxable income.
2. All interest is tax-free and, if you choose to invest the money saved in your HSA, those earnings grow tax-free.
3. You do not pay taxes on funds withdrawn for qualified medical expenses.

#### Gallagher helps fund your account

To help you save more money faster, Gallagher makes an annual contribution to your HSA:

- \$450 if enrolled in employee only medical coverage
- \$900 if enrolled in family coverage (family includes one or more covered dependents)

These amounts are prorated for new hires during the year.

Gallagher's contribution will be divided evenly and deposited into your account each pay period.

#### Who is Eligible?

Eligibility to contribute to an HSA is defined by the IRS, not Gallagher. Currently, an HSA is only available to employees who are enrolled in one of the Gallagher PPO + HSA plans.



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### Using your HSA

#### Setting up your account

1. When you enroll in an eligible medical plan, the process to open your account will begin automatically through HSA Bank.
2. After enrollment, go to [www.hsabank.com](http://www.hsabank.com) to verify your information and set up your account.
3. After you've verified your information, you will be sent a debit card connected to your account.

**Tip!** Don't forget to designate a beneficiary for your hard-earned savings.

#### Making contributions

During enrollment, you'll elect the total amount you want to contribute to your HSA for the year. That amount will be divided evenly and deposited into your account each pay period through pre-tax payroll deductions.

#### The IRS contribution limits for 2025 are:

- \$4,300 if enrolled in employee only medical coverage
- \$8,550 if enrolled in family coverage (family includes one or more covered dependents)
- After age 55 (or if you will turn 55 by the end of the year), you are allowed to make up to \$1,000 in catch up contributions each year.

**Note:** These limits include contributions made by both Gallagher and the employee. Therefore, to prevent you from accidentally contributing more than the IRS allows, the contribution limit shown in myHR during Annual Enrollment will be the IRS limit listed above less the Gallagher contribution amount.

### Paying for health care

Use your HSA to pay for eligible out-of-pocket healthcare costs such as deductibles and copays, or dental, vision, and pharmacy expenses.

You can pay by using your HSA Bank debit card or by using personal funds then reimbursing yourself from your HSA.

**Tip!** When you use your card, swipe the card as 'Credit' to avoid fees—using it as a true debit card incurs transaction fees.

### Saving for the future

Your HSA is a personal bank account under your taxpayer ID. You take the account with you if you change medical plans, change jobs, or retire.

Whatever money you don't use will carry over each year and earn interest. And, when your balance reaches a certain amount, you'll have the option to invest your savings.

After age 65, you can withdrawal funds for non-medical expenses without a penalty (although you will pay taxes on the withdrawal).