

10 Important Things to Know About Health Savings Accounts



Health care costs have [tripled since 2001](#), which is more than five times the rate of inflation. This begs the question, what can I do to plan and budget for the unexpected expenses?

One way to offset the skyrocketing cost of health care is to establish a Health Savings Account (HSA), a tax-advantaged health care savings account for Americans under 65 with high-deductible insurance plans.

Tracy Zepeda, senior vice president and chief retail officer of Opportunity Bank (Member FDIC and Equal Housing Lender), says it's important for anyone considering an HSA to first speak with their tax professional to weigh the advantages and disadvantages.

HSAs offered by [Opportunity Bank of Montana](#) have several unique advantages, including no costs or fees, and offer competitive rates higher than an ordinary savings account.

If you fall into the category of increasing health care expense and concern over costs, consider these ten facts when determining whether a health savings account is an option for you. You should also visit with a tax advisor for further details.

1. HSAs are available only to individuals and families with high deductible health plans who are under 65. [Congress established HSAs](#) to encourage people to use high deductible plans, which tend to slow the rate of growth of health care.

2. The account itself is tax-deductible. You are not taxed on money you put into an HSA.*

3. HSA funds are taxed if used for non-qualified expenses. Any withdrawals made for non-medical expenses, or health-related expenses that are not covered by the HSA, are subject to a 20 percent tax.

4. Any growth in the account is tax-deferred. Once you are no longer eligible, at age 65, you can remove your savings and pay taxes at what may be a lower rate if you're retired.*

5. There are limits to how much you can contribute. Many investment vehicles require a nominal minimum deposit – \$100 at Opportunity Bank. For 2017, the maximum that can be deposited is \$3,400 plus a \$1,000 catch-up payment for an individual and \$6750 plus the catch-up for families. You have until April 15 to make contributions that can be deducted from your 2017 taxes.

6. Your employer may make contributions to your HSA. The money in your account is yours, no matter who makes the contribution.

7. Some customers use HSAs as part of their retirement plan. The contributions can grow when you are young into a large nest egg for medical expenses when you are older.*

8. Many financial institutions offer these accounts. Pay attention to fees and costs. Banks like [Opportunity Bank of Montana](#) offer this product free of charge and service locally.

9. You can contribute in installments. You can set up your deductions automatically into your health savings account. To fund your account at the individual maximum, you need to transfer \$130.76 biweekly. Visit with an Opportunity Bank of Montana relationship banker for more details.

10. HSAs are not for everyone. Consult your tax professional. “The cost of medical care and insurance keeps rising,” notes Zepeda. “Establishing a Health Savings Account is an excellent vehicle to offset that burden.

Banks like [Opportunity Bank of Montana](#) help people save and invest, which ties into their “mission of providing strong financial futures for Montanans.” With Opportunity Bank, you can rest assured that your HSA account will remain in Montana and won’t cost you additional fees beyond what you allot towards your savings.

*Consult your tax advisor for further details.

Image link:

<http://www.thinkstockphotos.com/image/stock-photo-health-savings-account/659867288/popup?sq=/s=DynamicRank/f=CTPIHVX>

Suggested Social Media posts:

Facebook: 10 important things to know about Health Savings Accounts. [LINK]

Twitter: 10 important things to know about #HealthSavingsAccounts. #HSA [LINK]

Facebook: Establishing an HSA can save you money on your taxes and help pay for health care costs. [LINK]

Twitter: Establishing an #HSA can save you money on your taxes and help pay for health care costs. [LINK]

Facebook: Opening an HSA? Choose one that has no fees and pays a competitive interest rate. [LINK]

Twitter: Opening an #HSA? Choose one that has no fees and pays a competitive interest rate. [LINK]

Facebook: Is a Health Savings Account right for you? It could cut your taxes. [LINK]

Twitter: Is a #HealthSavingsAccount right for you? It could cut your taxes. #HSA [LINK]