



Health Savings Account: What You Need to Know

If you enroll in the Aetna or UnitedHealthcare HDHP, you're eligible to open a health savings account (HSA). Save tax-free dollars for qualified health care expenses when you need it—in an emergency, when money is tight, or in retirement.

How an HSA Works

You're in control

You choose when you want to open your account, how much to contribute, and when and how to use your money. Your savings and earnings are always yours to keep. The account belongs to you even if you change medical plans, retire, or leave Salesforce.

Triple tax advantages

1. **No tax on deposits.** Your payroll contributions go into your account before federal taxes are withheld, which lowers your taxable income.
2. **No tax on earnings.** Interest and investment earnings grow tax-free, unlike a traditional IRA where investment earnings are taxed.
3. **No tax on withdrawals.** The money you withdraw to pay for eligible health care expenses—today, tomorrow, or anytime in the future—is not subject to taxes.

Save and spend—today or tomorrow

You choose how much you'd like to save, if anything, in your HSA each year, and you can adjust your contributions at any time. Your contributions are automatically deducted from your paycheck and deposited into your HSA on a pretax basis.

Maximum annual contribution

The maximum annual contribution allowed by the IRS (includes contributions from you and Salesforce):

- \$3,450 for employee-only coverage in 2018
- \$6,900 for family coverage in 2018

If you're age 55 or older in 2018, the maximum increases by \$1,000 in catch-up contributions.

How You Save Money

- The HDHP Standard and Premium plans are the two plans with the lowest per-pay-period employee contribution of all Salesforce medical plans.
- Tax advantage
 - o You don't pay federal taxes on your HSA contributions, which lowers your taxable income.
 - o You don't pay federal taxes on HSA earnings or on withdrawals for qualified medical expenses.
- There's no "use it or lose" rule with an HSA like there is with an FSA—your HSA balance carries over from year to year and earns tax-free interest.
- When your HSA reaches a balance of \$500, you can invest your funds and your investment earnings grow tax-free.
- Employer contribution in the Premium plan
 - o Salesforce's contributions are \$750 for single coverage and \$1,500 for family coverage.

How to Manage Your HSA

Eligible expenses

You **can** use your HSA to pay for:

- Expenses related to your deductible—including office visits, lab tests, and hospital costs
- Your coinsurance
- Alternative treatments, such as acupuncture and chiropractic services
- Prescription drugs

You **can't** use your HSA to pay for:

- Health insurance premiums, except premiums related to COBRA
- Cosmetic surgery
- Medicines and drugs from other countries

Note: If you use your HSA to pay for non-qualified expenses, that amount will be subject to normal income tax plus a 20% tax penalty.

The IRS determines which expenses are eligible for reimbursement. ConnectYourCare provides a listing of eligible and non-eligible expenses [here](#).

Manage your account

You have three ways to manage your ConnectYourCare HSA:

1. **Payment card.** Use your card to quickly and easily debit HSA funds directly from your account.
2. **Mobile app and online tools.** Access your account information and submit a payment request through your phone or computer.
3. **Round-the-clock service.** ConnectYourCare is there for you any time you have a question—24 hours a day, 365 days a year. Call 1-844-220-8792 or visit [ConnectYourCare](#).

This tip sheet contains highlights of benefit options available to you. These are not complete descriptions of the benefits. If there is any conflict between this tip sheet and the official plan documents, the official plan documents will govern.