

# Gain control with a health savings account

Your Anchor Choice plan gives you access to a health savings account (HSA) that gives you more control over the money you spend on doctors, drugs, and tests. The State’s annual contribution to your HSA will be \$1,500 if you have individual coverage or \$3,000 if you have family coverage.<sup>1</sup> This contribution is enough to cover the entire annual deductible for the Anchor Choice Plan!

An HSA is a great way to save money. You are able to receive an annual contribution from the State and you can make contributions as well. Once your balance reaches \$1,000, you can invest the money in your account for even greater earnings potential.


Your HSA is a little like a retirement account for medical expenses. When you put money into your HSA, you get a **triple tax advantage**:

- The money you put in may reduce your taxable income
- Interest you earn in an HSA is tax-free
- The money isn’t taxed when you spend it on qualified medical expenses

The money in your HSA rolls over from year to year so you can use it any time, even in retirement.


**The money is yours. You never lose it.**

**Tax savings example for a married couple in Rhode Island filing a joint tax return.\***




**\$65,000**  
Household income

→



**\$2,000**  
Tax-exempt HSA contribution

→



**\$371**  
Tax savings

**2023 annual contribution maximums**

Individual plans: \$3,850  
Family plans: \$7,750

If account holder is 55 years or older, they can contribute an extra \$1,000.

\*This example is for illustrative purposes only and does not represent actual tax impact.

## Boost your spending power and save with an HSA\*\*

This example shows the difference in spendable income for an individual who contributes to an HSA and uses it to pay for qualified healthcare expenses versus one who does not:

	NO HSA CONTRIBUTION	WITH HSA CONTRIBUTION
Salary	\$50,000	\$50,000
Contribution	—	\$3,850
Taxable income	\$50,000	\$46,150
Taxes	\$14,000	\$13,034
Healthcare expenses	\$3,450	\$3,450
Spendable income	\$32,550	\$33,116
Remaining account balance	—	\$400

\*\*For illustrative purposes. Your tax situation may be different. Consult a tax advisor.

▲  
**\$566 in savings, with money to spare in your HSA!**

# A sampling of qualified medical expenses and non-qualified medical expenses\*

Funds you withdraw from your HSA are tax-free when used to pay for qualified medical expenses. A complete list and discussion of these expenses is available on the IRS website. The IRS may modify this list at any time.

## Qualified

Acupuncture	Dental treatment	Long-term care	Prescription drugs
Ambulance	Diagnostic tests	Machine tests	Psychiatric care
Birth control pills	Durable medical equipment	Medicare Part D premiums	Psychologist
Braces	Eyeglasses	Menstrual products	Smoking cessation programs
Cancer treatment	Eye surgery	Mental health	Surgeon fees
Chemical dependency	Hearing aids	Neurologist	Transplants
Childbirth/delivery	Hospital services	Non-prescription medicines, like cold and flu pills	Transportation for healthcare
Chiropractor	Insulin treatment	Nursing home	Vision expenses
Contact lenses	Laboratory fees	Optometrist	X-ray fees

## Non-qualified

Cosmetic surgery	Multivitamins
Deodorant	Soap
Electrolysis hair removal	Teeth whiteners
Funeral expenses	Tissues
Health club dues	Toiletries
Medicated shampoo and soap	

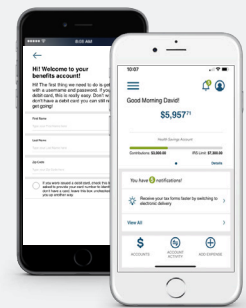
## How to log in to your HSA account:

- Go to [myBCBSRI.com](http://myBCBSRI.com) and log in. Click YOUR HSA in the left-hand tool bar. Use the videos, tools, and calculators on the site to learn how to manage your account and start saving.
- Explore HSA tools and resources online
  - View your account
  - Pay bills and submit claims
  - Calculate your savings
  - Learn how to use your HSA

## BlueSolutions Spending mobile app

Manage your HSA account on the go

1. Download the app from the Apple® app Store or Google® Play.
2. Open the app from your phone.
3. Click on the “sign up” link and follow the prompts.



If you have questions about your HSA, please call the **State of Rhode Island Employee CARE Center** at **(401) 429-2104** or **1-866-987-3705**. The CARE Center hours are Monday – Friday, 8:00 a.m. – 8:00 p.m., and Saturday, 8:00 a.m. – noon.

<sup>1</sup> Contributions are made biannually with half deposited in January and the other half deposited in July. The State’s HSA contributions are not pro-rated for employees that enroll after January 1 and July 1.

\* This list is for illustrative purposes and is not a complete list of qualified medical expenses. All items on the list may be subject to further limitations. Consult your tax advisor for specific tax advice. Please see IRS Publication 502 for a more detailed listing of qualified medical expenses.

This communication has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction. HSAs are not insurance. HSAs are individual accounts, and are subject to eligibility and restrictions, including but not limited to, restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code.

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