

Optum Financial[®]

Health benefit account options for State and Higher Education

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ABC Presentations 9/12/2023

**PARTNERS
FOR HEALTH**



Let's learn about Health Savings Accounts (HSAs)

What is an HSA?

A health savings account, or HSA, is an account that saves you money by letting you use income tax-free dollars to pay for qualified medical, dental and vision expenses



Sign up during enrollment. HSAs are compatible with a qualifying high deductible health plan.

"The State of Tennessee's CDHP for state and higher education employees, qualifies as a high deductible health plan."

Contribute income-tax free money to your account –up to IRS limits – and adjust at any time during the year.

Spend your HSA dollars on hundreds of items – like glasses, Rx refills and doctor visits.

Earn potential interest on your balance. Choose to invest HSA funds for potential added growth, after meeting minimum balance.

Balances carry over from year-to-year, to new jobs, and into retirement.



An HSA is designed to help you save money for use today or later



How do I know if I'm eligible for an HSA?

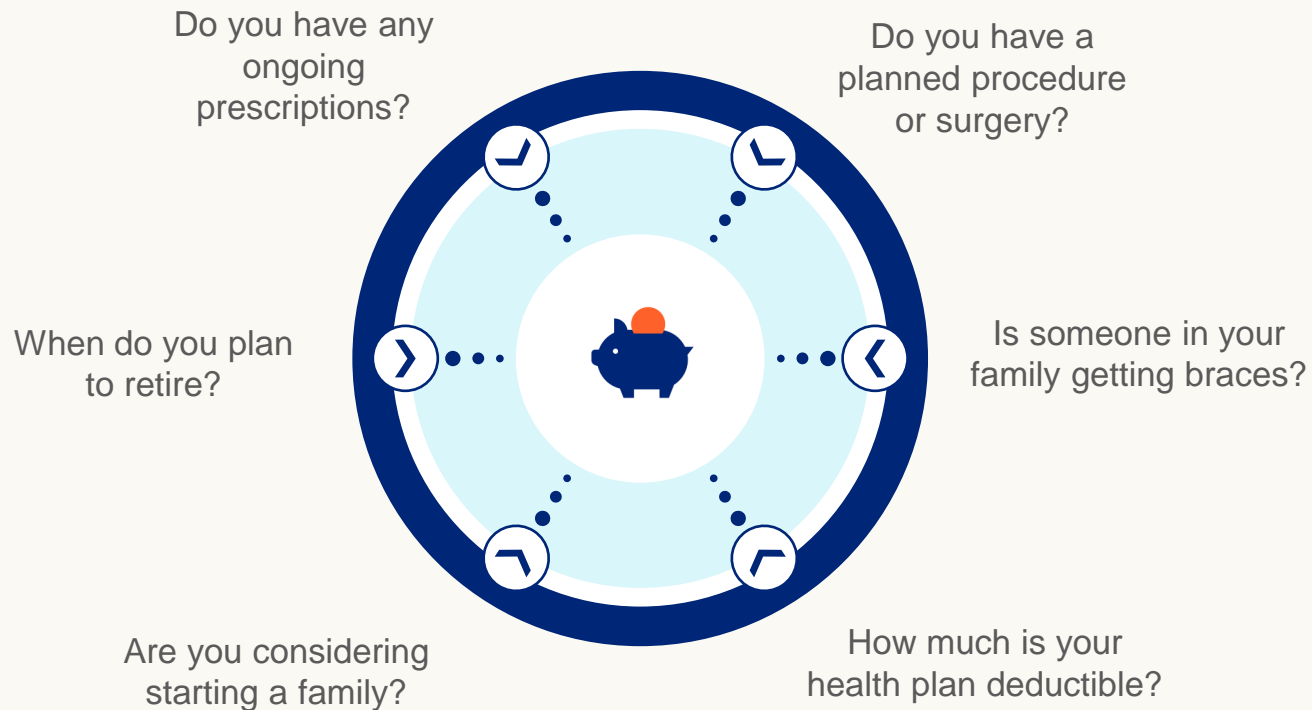
Most people covered under a qualifying consumer-driven health plan are eligible. Here are a few more IRS requirements.



- You are not covered by any other health plan that is not an CDHP
- You are not enrolled in Medicare, TRICARE or TRICARE for Life
- You haven't received Veterans Affairs benefits within the past three months, except for preventive care; if you have a disability rating from the Veterans Affairs, this exclusion doesn't apply
- You can't be claimed as a dependent on someone else's tax return
- You do not have a health care flexible spending account (FSA) or health reimbursement arrangement (HRA) alternative plan designs
- Other restrictions and exceptions may also apply. We recommend that you consult a tax, legal or financial advisor to discuss your personal circumstances

How much should I contribute? How much can I contribute?

Things to consider when choosing your contribution amount



2023 Limits

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

2024 Limits

Individual: \$4,150
Family: \$8,300

When you are 55 or older, and not enrolled in Medicare, you can fund an additional **\$1,000 each year**, called a catch-up contribution.

If your employer contributes to your HSA, that counts towards the limits.

Investing in your HSA

Options for every type of investor



Mutual funds – *if you'd like to choose from a pre-selected list of mutual funds*

- A diverse variety of mutual funds
- Twelve Vanguard funds selected by the state of Tennessee
- Low expense ratios
- You can start investing when your balance is \$1,100

The earlier you start, the more potential you have to grow your savings

Example:

- \$3,000 per year contribution
- \$1,500 per year used for eligible medical expenses
- 7% average rate of investment earnings with all earnings reinvested

Savings potential

Starting Age	HSA Value at age 65*
25	\$320,420
35	\$151,613
45	\$65,799
55	\$22,176

Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

Account holders must meet the minimum balance to begin investing, this amount may vary, check your online account or plan documents.

**Hypothetical example for illustrative purposes only. Amounts will vary depending on your unique circumstances.*

What's covered under an HSA?

Save on out-of-pocket costs head to toe



Acupuncture



Chiropractic care



Eye exams, glasses, & contacts



Flu shots



Nursing services



Orthodontia (non cosmetic)



Physical exam



Physical therapy



Prescription drugs & refills



Psychiatric care



Sunscreen, SPF 15+



Wheelchair, walkers, crutches and canes

Use the Qualified Medical Expense Tool on optumbank.com/tennessee to see if your specific expense qualifies for reimbursement

How can I access my account?



Online portal

- Make deposits
- Pay bills
- Reimburse yourself
- Manage your investment activity



Mobile app

- Pay bills, track payments and reimburse yourself
- Search for qualified medical expenses
- Capture and submit receipts
- Easily deposit funds
- Calculate your contributions
- Update your beneficiary



Payment card

- Pay the easier way at the doctor's office, chiropractor or pharmacy
- Use your card to pay for qualified medical expenses online
- Order additional cards for family members covered under your plan



**It's easy to check
account information and
reimburse yourself**

Learn about Flexible Spending Accounts (FSAs)

What is an FSA?

A flexible spending account is an account that allows you to use pre-tax dollars to pay for eligible expenses



Contribute pre-tax dollars



Use to pay for eligible expenses



Use the money by the end of the plan year. Some plans have carryover



FSA's help stretch your budget by giving you tax savings on your everyday health care.



Three types of FSAs

1

Medical

Helps pay for certain medical, dental, vision, prescription drug and eligible over-the-counter expenses



2

Limited purpose

Offered alongside an HSA to help pay for dental and vision expenses



3

Dependent care

Allows use of pre-tax dollars to pay for eligible dependent care services incurred while you work



Sample eligible expenses

1 Medical



Acupuncture
Anesthesia
Alcoholism treatment
Bandages
Blood pressure monitor
Chiropractic care
Co-payments
Contact lenses
Deductibles
Eyeglasses
Eye surgery
First aid kits
Flu shots
Hearing aids
Lab fees
Lasik
Learning disability treatments
Orthodontia

2 Limited purpose



Dental and vision co-insurance, deductible
Dental visits
Eye examinations
Prescription eyeglasses
Eye surgery
Invisalign
Lasik
Optometrist

3 Dependent care



After-school program
Babysitting
Childcare
Nanny
Nursery school
Preschool
Sick childcare
Summer day camp
Adult day care center
Elder care
Senior day care
Transportation to/from eligible care

Use the Qualified Medical Expense Tool on optumbank.com/tennessee to see if your specific expense qualifies for reimbursement

Contribution limits

1 Medical

Helps pay for certain medical, dental, vision, prescription drug and qualified over-the-counter expenses



2 Limited purpose

Offered alongside an HSA to help pay for dental and vision expenses



3 Dependent care

Allows use of pre-tax dollars to pay for dependent-care services incurred while you work



2023 IRS Contribution limits:

\$3,050 individual



\$5,000 per year for couples filing jointly or single parent; **\$2,500** per year per parent filing separately

How can I use my FSA to pay for eligible expenses?



Payment card

Allows you to pay for health care services at the point of care

Most purchases are automatically substantiated, which means less paperwork for you

No card issued for Dependent Care



Mobile or online claim submission

Complete interactive claim form on the mobile app or online

Snap a picture of your documents and quickly upload either online or via mobile app



Paper claim form

Submit paper claim form to Optum Financial with required documentation via fax or U.S. mail

Get started now

Make the most of your Optum Bank financial accounts throughout the year

1

Enroll in your plan by the deadline



2

Contribute to your plan based on your needs and budget



3

Log in to your account online or on the mobile app frequently



For more information, visit optumbank.com/tennessee
Higher Education employees-use this splash page to enroll in your flexible benefit plans and determine payroll elections



Call

Optum Customer Care

866-600-4984

24/7 except major holidays



Email

service.tennessee@optum.com



Visit

optumbank.com/tennessee

Q&A

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Health savings accounts (HSAs) are individual accounts offered through Optum Bank[®], Member FDIC. HSAs are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account.

Flexible spending accounts (FSAs), dependent care assistance programs (DCAPs), health reimbursement arrangements (HRAs), Commuter and Parking Benefits (collectively, "Employer-Sponsored Plans") are administered on behalf of your plan sponsor by Optum Financial, Inc. ("Optum Financial") and are subject to eligibility and restrictions. Employer-Sponsored Plans are not individually owned and amounts available under the Employer Sponsored Plan are not FDIC insured.

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