

## Health Savings Account Overview

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Northern Rivers Family of Services is pleased to continue to match employee contributions to their health savings account (HSA). We offer enrollees in our high-deductible health plans (HDHPs) a match of up to \$300 in contributions to an HSA.

Northern Rivers will match employee contributions in quarterly deposits of up to \$100 directly to the employee's HSA. This contribution is made on or about the second pay period in October, January, and April.

Employees who sign up during Open Enrollment will receive a one-time contribution of \$200 to their HSA.

Employer dollars count toward the IRS maximum contribution limits of \$3,600 individual and \$7,200 family per year. Individuals who are age 55 or older by the end of the tax year are permitted to make an additional \$1,000 HSA contribution, called a "catch-up contribution."

- HSAs can save employees money. For individuals with few regular health expenses, paying a traditional health plan premium can feel like throwing money out the window. HDHPs come with much lower premiums than traditional health plans, meaning fewer premium dollars are deducted from paychecks.
- HSAs are portable. Even if an employee changes jobs, their HSA belongs to them.
- HSAs help save tax dollars. Contributions to HSAs are made with pretax dollars, thereby decreasing taxable income and the taxes owed on that income.
- HSAs can allow for an improved retirement account. Funds roll over at the end of each year and accumulate tax-free, as does the interest on the account. Also, once an employee reaches age 55, additional "catch-up" contributions to the HSA are allowed.
- To contribute to an HSA, employees must not be covered under another medical plan, including coverage through any Medicare plan.

Please note: State tax laws differ. Contributions made to an HSA may not be deductible from state income taxes.

For more information about how an HSA works, contact the RKSolution team at 518-244-4243.

The logo for Northern Rivers, featuring the company name in a bold, sans-serif font. The word "NORTHERN" is in a lighter blue color, and "RIVERS" is in a darker blue color. A stylized wave graphic in shades of blue and green is positioned below the text.