

Health Savings Accounts

By Chaney Zeisler, CPA

A Health Savings Account (HSA) is a type of savings account that lets you set aside money on a pre-tax basis for qualified medical expenses.

Below, I highlight some key features to know about an HSA:

- HSA contributions are tax deductible.
- Withdrawals from a health savings account are tax-free as long you use the money to pay for qualified medical expenses.
- To qualify for an HSA, you must be enrolled in a high-deductible health insurance plan. Once you are on Medicare, you are not allowed to contribute to an HSA.
- You can open an HSA even if it isn't offered by your employer.
- HSAs are not "Use it or lose it". Unlike flexible-spending accounts, you don't have to spend the money in an HSA by the end of the year. HSA funds do not expire.
- For 2021, you can contribute up to \$3,600 to an HSA if you have single health insurance coverage, or \$7,200 for family coverage, plus an extra \$1,000 if you're 55 or older anytime during the year.
- HSA funds can be used for medical expenses for your spouse and current tax dependents.
- Contributions must be made before the tax filing deadline for that year. That means you have until April 15, 2022 to make a 2021 HSA contribution.

Check with your tax preparer to see whether or not an HSA would be right for you!

Thanks,

Chaney Zeisler, CPA

Kaup's Financial Advisors, Inc.
PO Box 265 - 113 N Main Street
Stuart, Nebraska 68780
Phone: 402-924-3607
Fax : 402-924-3609

Scott Kaup is a Registered Representative offering securities and advisory services through Cetera Advisor Networks LLC (doing insurance business in CA as CFGAN Insurance Agency LLC), a member FINRA/ SIPC, a broker dealer and registered investment adviser. CA Insurance License #0G00634.

The opinions contained in this material are those of the author, and not a recommendation or solicitation to buy or sell investment products. This information is from sources believed to be reliable, but Cetera Advisor Networks LLC cannot guarantee or represent that it is accurate or complete. Cetera Advisors Networks LLC, or any of its representatives may not offer legal or tax advice. Any tax advice is offered solely through Kaup's Financial Advisors, Inc. The information in these articles are not intended as specific tax or legal advice, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek your specific tax or legal advice from an independent professional advisor. Information provided herein was obtained from www.irs.gov. This information is designed to be educational. This information covers selected tax issues that are condensed. The recipient is cautioned not to rely on these summaries in lieu of a full review of applicable statutes, regulations and authorities, affecting any specific tax issue or transaction. Consult with your tax preparer for more detailed information and how it may apply to you and your specific situation.