

Is the High Deductible Health Plan with a Health Savings Account right for you?

High Deductible Health Plan (HDHP) with Health Savings Account (HSA)

High deductible health plans offer you and your family great care for less and has the added benefit of helping you save money with the Health Savings Account (HSA).

How is a High Deductible Health plan different from a traditional plan?

Traditional plans have a higher monthly premium, a smaller deductible, and fixed copays and coinsurance. This means you pay less out of your pocket for copays but more each month for your premium. The High Deductible Health Plan has a lower monthly premium with a higher deductible. What does this mean? With the High Deductible Health Plan, you'll pay more out-of-pocket if you have medical expenses (until you meet the deductible), but you can use your Health Savings Account to cover those costs. And you'll save each month by paying less for your premium.

What's a Health Savings Account?

A Health Savings Account is an account you are required to have when you are enrolled in the High Deductible Health Plan. The account is designed to help you save and pay for qualified medical expenses now and invest for the long term. The account is portable and all the funds in your account belong to you if you leave or retire from Metro.

How contributions work

- Contributions to your Health Savings Account may be made by you and Metro.
- Metro contributes \$1,650 for individuals and \$3,300 if you're enrolling as employees plus dependent(s) per enrollment period.
- Metro contributes the full amount of the High Deductible Health Plan deductible, per employee or family per employee or family enrollment when you first enroll, and then each year you stay in the high deductible plan.

Eligibility requirements

In order to be eligible for a Health Savings Account you must be:

- Covered by a qualified HDHP.
- Not covered by other health insurance (with a limited number of exceptions).
- Not enrolled in Medicare.
- Not enrolled in Tricare Coverage.
- Not claimed as a dependent on someone else's tax return.
- Not currently enrolled in a Healthcare Flexible Spending Account (FSA) or a General Purpose Health Reimbursement Account (HRA).

- You will not receive more than the above stated Health Savings Account contribution during an enrollment period.
- All Metro employees who enroll in the high deductible plan receive the same Health Savings Account contribution, per employee or family enrollment. The amount is based on tier of enrollment regardless of your hours worked as long as you are still eligible.
- If you are enrolled in the High Deductible Health Plan and experience a qualifying event that changes your deductible for the plan, Metro's contribution to the plan will also change to the corresponding contribution at the same time.

Can I use my HSA dollars for non-medical expenses?

You can use your HSA at any time, for any reason. But it's only tax-free if you use it for qualified health expenses. If you use it for anything else, the money you withdraw is taxable income. You will also have to pay a 20% tax penalty unless you're 65 or older, disabled or deceased.

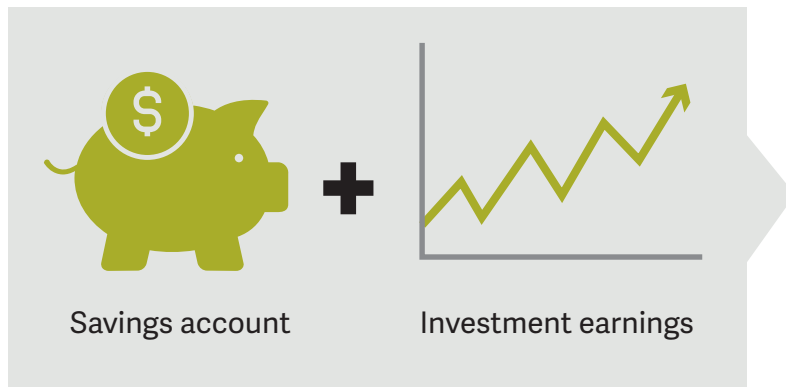
Want to learn more about high deductible plans?

High deductible plans and Health Savings Accounts can be a great deal, but there are things to consider. For example, how can you know how to accurately budget for your annual medical costs?

For help figuring out if this is a good option for you, contact the benefits help team at benefits.help@oregonmetro.gov

Health Savings Account at-a-glance

Your HSA



pays for



Out of pocket medical costs like copays



Qualified medical expenses

You build savings



Any money you don't spend is rolled over and continues to earn interest.

Unlike Flexible Spending Accounts you don't have to "use it or lose it."

It's portable. You own the account and keep it when you change jobs.

You are in control of when you withdraw, what you spend and what you save.

When you retire, you can use your savings to pay for your insurance premiums.

At age 65, you can take distributions as ordinary income with no penalty.

Individual account
annual savings limit
\$4,300

Family account
annual savings limit
\$8,550

Metro contributes the full amount of your deductible: \$1,650 for individuals and \$3,300 for families.

Triple tax benefits

- 1 Contributions are tax deductible **100%**
- 2 The account grows tax free
- 3 Account funds used for qualified medical expenses are tax free



HSAs are FDIC insured. That means you can't lose money because of market changes.