

Optum Bank[®]
Member FDIC

CONSUMER DIRECTED
HealthSelectSM

Benefits highlights

Consumer Directed HealthSelectSM
health savings accounts (HSAs)

Summer Enrollment 2024



Agenda

- 1 HSA eligibility and contributions
- 2 What you need to know about HSAs
- 3 Making deposits and paying with an HSA
- 4 Qualified medical expenses
- 5 Managing and making the most of an HSA
- 6 Common questions and where to go for help

What is an HSA?

Health savings accounts (HSAs) are individually owned savings accounts that offer a tax-advantaged way to save and pay for qualified medical expenses.



Requires a qualifying high-deductible health plan (HDHP)

Consumer Directed HealthSelectSM is a qualifying HDHP



Annual contribution limits are set by the IRS — triple tax savings



Funded by employer or employee



Balances can be carried over from year-to-year
Option to invest a portion of the HSA once it meets a minimum balance

Determining eligibility

IRS requirements:

- You must be covered under a qualifying high-deductible health plan (HDHP) on the first day of the month.
- You have no other health coverage except what is permitted by the IRS.
- You are not enrolled in Medicare, TRICARE or TRICARE for Life.
- You haven't received Veterans Affairs (VA) benefits within the past three months, except for preventive care. If you have a disability rating from the VA, 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 account (HRA). Alternative plan designs, such as a limited-purpose FSA or HRA, might be permitted.
- Other restrictions and exceptions may also apply. We recommend that you consult a tax, legal or financial advisor to discuss your personal circumstances.



Before enrolling in Consumer Directed HealthSelect, make sure you're eligible to participate in an HSA.

HSA contribution limits



Amount of contribution

The IRS determines how much you can deposit into your HSA each year, and limits are determined on a calendar/tax-year basis.



Maximum Contributions

| Coverage | CY 2024 | CY 2025 |
|------------|---------|---------|
| Individual | \$4,150 | \$4,300 |
| Family | \$8,300 | \$8,550 |

In Plan Years 2024 and 2025, the State of Texas contributes to your HSA:

- \$45/month for individuals
- \$90/month for families

The state's contribution is applied toward the maximum that can be deposited in your account for the calendar year.



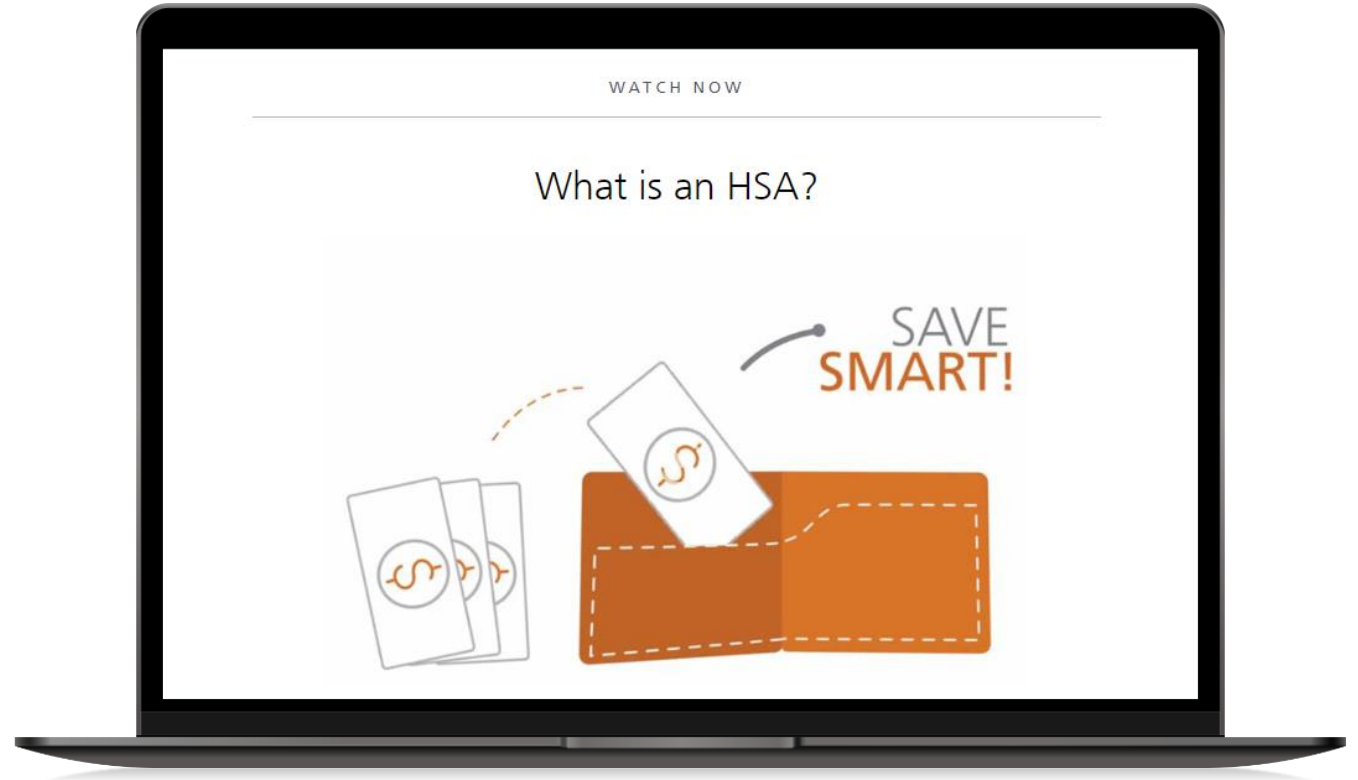
Additional contribution

Those 55 years of age or older, but not yet enrolled in Medicare, can fund an additional \$1,000 per year “catch-up” contribution.

Spouses can make a separate \$1,000 catch-up contribution to an account in their own name.

What you need to know about an HSA

- Open an Optum Bank account for state contributions and payroll deductions
- Deposits are exempt from income tax
- Savings grow income tax-free
- Money spent on qualified medical expenses comes out of your HSA income tax-free
- If you are covered on COBRA or collecting unemployment, your HSA can be used to reimburse premiums income tax-free



[Click here to watch video](#)

HSA contributions

How to make a deposit

- Set up payroll deductions from every paycheck (not available to retirees)
- Sign into your account to set up one-time or recurring deposits
- Mail in a check
- Contribute with the Optum Bank Mobile App

Yours to keep

- HSA funds roll over from year to year
- The money in your HSA is yours until you spend it, even if you retire or change jobs or health plans
- You can continue to grow your HSA and/or use it into retirement



Paying with an HSA



Direct pay

- Use the Optum Bank debit Mastercard® to:
 - Pay on the spot at a doctor’s office, pharmacy or other health care facility
 - Pay a bill you receive from a doctor or other provider
- Pay bills online
- Send payments directly to your health care providers, pharmacy or other payees from our secure website
- Pay with the Optum Bank mobile app
- Use Apple Pay® or Google Pay®



Reimbursing yourself

- When you pay for qualified expenses out of pocket, you can log in and request an ACH or check disbursement
- Use your debit Mastercard at any ATM that displays the Mastercard acceptance mark to get cash to reimburse yourself
 - You will need your PIN
 - There is a limit of \$300 per 24 hours on ATM withdrawals
 - There is a \$2.50 ATM withdrawal fee. Access fees may also be charged by the ATM owner.

What's covered under an HSA?

Save on out-of-pocket costs head to toe



Acupuncture



Chiropractic care



Eye exams, glasses and contacts



Specialist visits



Nursing services



Orthodontia (non cosmetic)



Urgent care



Physical therapy



Prescription drugs and refills



Psychiatric care



Sunscreen, SPF 15+



Wheelchair, walkers, crutches and canes

Use the Qualified
Medical Expenses Tool
on

Optumbank.com

to see if your specific
expense qualifies for
reimbursement

Other HSA-qualified medical expenses

- Medical plan deductibles and coinsurance
- Medical, dental and vision care services and products
- COBRA continuation coverage
- Health coverage while receiving unemployment benefits
- Medicare premiums and out-of-pocket expenses
- Qualified long-term care



Save your receipts for all qualified expenses

Track bill payments, reimbursements and out-of-pocket expenses with the Optum expense journal.



Optum Bank® does not track your expenses or verify eligibility.



Paying for non-qualified expenses

- Any HSA funds used for purposes other than to pay for qualified medical expenses are taxable as income and subject to a 20% tax penalty.
- The 20% tax penalty does not apply to account holders aged 65 and older, or those who become disabled or enroll in Medicare.
- Examples of non-qualified expenses:
 - Cosmetic surgery
 - Electrolysis or hair removal
 - Teeth whitening

Use the QME tool on optumbank.com to see if your specific expense qualifies for reimbursement. Be sure to select the HSA filter.

Medical expense eligibility tool

Medical expenses can be confusing. We've got you covered with our eligibility tool, which helps you understand what items or services are a qualified medical expense.

Search

Browse eligibility list

Find out what's eligible by searching

Start typing to search a product or service



Filter by health benefits account type

✓ HSA

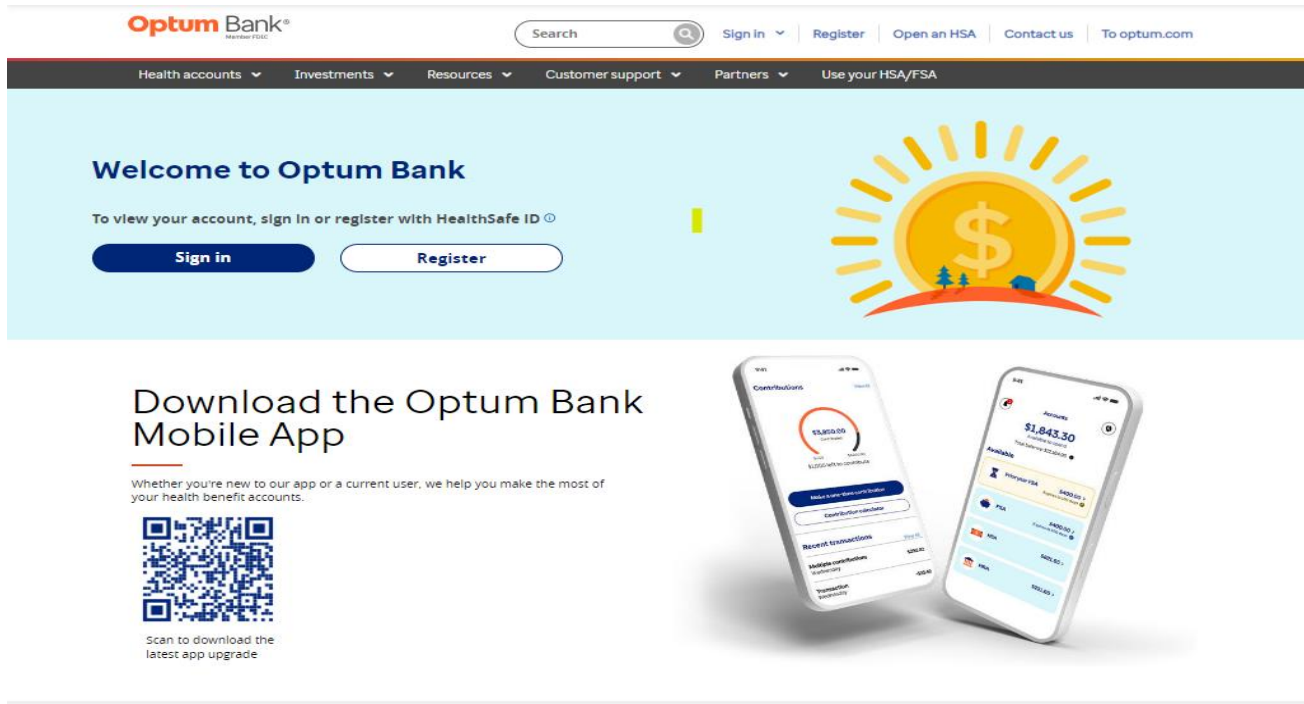
FSA

HRA

DCFSA

LPFSA

What to expect as a new account holder



Optum Bank
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Search Sign In Register Open an HSA Contact us To optum.com

Health accounts Investments Resources Customer support Partners Use your HSA/FSA


Welcome to Optum Bank

To view your account, sign in or register with HealthSafe ID


[Sign in](#) [Register](#)

Download the Optum Bank Mobile App

Whether you're new to our app or a current user, we help you make the most of your health benefit accounts.



Scan to download the latest app upgrade



- We will send your Optum Bank[®] welcome kit shortly after you are successfully enrolled in an HSA.
- Your debit card will arrive in a separate mailing.
- HSA materials are mailed separately from health plan materials.
- After logging into your account for the first time, you will be prompted to provide your email address.
- You might get an Optum Bank quarterly e-newsletter with tips for helping you to make the most of your health care dollars. (You can unsubscribe.)



First time user?

Start the registration process to create your log in credentials by creating a username and password

Managing your HSA online

- View transactions/balances
- Reimburse yourself/file claims
- Pay provider bills
- Manage debit cards
- Access resources
- Manage investment activity

The screenshot displays an HSA online account dashboard. At the top right, there are buttons for "Search qualified medical expenses" and "I want to...". The main dashboard is divided into several sections:

- TOTAL FUNDS:** \$1,862.25
- Accounts:** HSA, UNITEDHEALTH GROUP, Available Balance: \$1,862.25, ****6654. Includes an "Account Overview" link.
- HSA Total:** \$1,862.25
- HSA Investments:** Save \$237.75 more to see investment options! Includes a "Learn more" link.
- Links:** A section with an image of a woman at a laptop and text: "What can I buy? Browse a list of products and services covered by health accounts." and "Pay the easy way. Your payment card is there when you need it. From prescription refills to braces, just swipe your card to save and spend smart."
- I want to...:** A grid of buttons for "View Transactions", "Make a Payment", "Statements & Tax Docs", "Reimburse Myself", "Make a Deposit", "Manage Debit Cards", "Manage Beneficiaries", "Manage Investments", and "More Useful Links".
- Needs Your Attention:** A section stating "No items need your attention."
- HSA Account Overview:** A section with a "Balance Summary as of July 22, 2020" table and a "Contributions" pie chart. The table shows: Current HSA Cash Balance (\$1,631.50), Available HSA Cash Balance (\$1,862.28), Total Contributions (\$915.32), Contribution Limit (\$3,550.00), and Left to contribute (\$2,634.68). The pie chart shows \$915.32 contributed so far and \$2,634.68 left to contribute. Includes a "View your contributions" button.

Making the most of your HSA



Set a plan
and contribute
to your HSA



Build balances
to cover your
deductible



Use HSA funds
to pay for
qualified medical
expenses



Maximize
tax savings
opportunities



Save for the
future
and grow funds
income tax-free



Investing with your Optum HSA

- HSA account holders can choose to start investing once they reach an HSA balance of \$2,000.00. (The bank makes mutual funds available through a Registered Investment Adviser)
- Investing your HSA dollars has many potential tax benefits and can be an additional way to save for long-term health care needs and financial goals.
- With an HSA, withdrawals for qualified medical expenses are federal income tax free. This is a key way an HSA can be a superior retirement saving vehicle to a traditional 401(k) or IRA. (Note: Some states impose taxes on HSAs. You can have and/or contribute to an HSA when you also have and/or contribute to a 401(k) or IRA.)
 - Once you begin to withdraw funds from a 401(k) or an IRA plan, you pay income tax the same month, regardless of how the funds are being used.

Investments are not FDIC insured, are not bank guaranteed by Optum Bank® or its subsidiaries and might lose value.

Optum investment options for every type of investor

Two ways to invest:

1 Betterment

- An investment option for those who want a more automated, managed approach to investing their HSA
- Offers automated online financial advice through digitally managed investments made up of low-cost stock and bond exchange traded funds-(ETFs)
- Ideal for those who are not as interested in managing their own investments or are not as confident in choosing their own investments

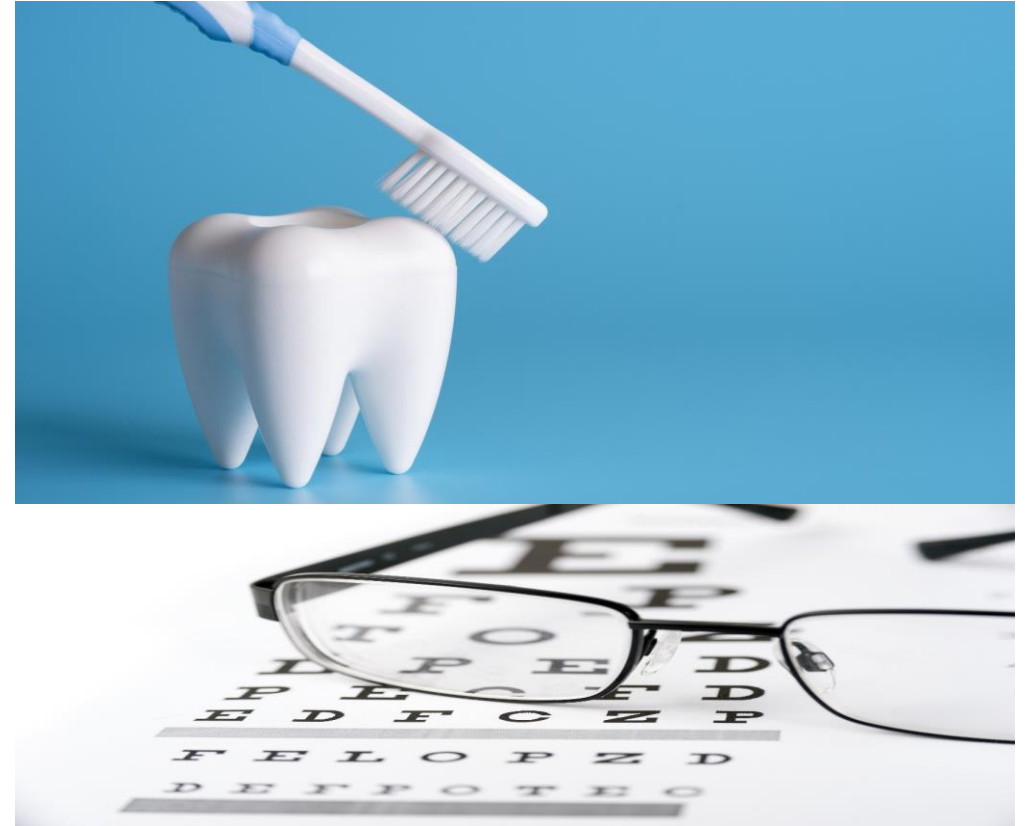
2 Mutual funds

- Represent some of the lowest expense ratios in the industry
- Optum Bank has a diverse set of 31 mutual funds, including:
 - 17 Vanguard funds
 - Five target date funds
 - Three lifestyle funds
- Mutual funds average a four-star Morningstar rating

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Pairing a limited-purpose flexible spending account (FSA) with an Optum HSA

- You are not able to participate in a health care flexible spending account (FSA) if you enroll in Consumer Directed HealthSelect.
- Active employees may, however, open a TexFlexSM limited-purpose FSA.
- A limited-purpose FSA can be used only to pay for eligible dental and vision expenses that you may have.
- A limited-purpose FSA is not insurance. Visit [TexFlexERS.com](https://www.texflexers.com) for more information.



Common questions



Can I open a health savings account at any time during the year?

Yes. You can open an HSA at any time, if you are enrolled in Consumer Directed HealthSelect. It's a good idea to open your Optum Bank HSA ASAP, so you can start getting the state's contribution shortly after your first paycheck of the new plan year (October).



Am I required to contribute a specific amount each year?

No. You can contribute as much as you'd like up to the IRS maximums. Many people base their contributions on the annual deductible required by their HDHP. The state's contribution is applied toward the maximum that can be deposited in your account for the year.



Do I need to use all the funds in my HSA during the year?

No. HSA plans are not subject to IRS "Use It or Lose It" regulations. This means that funds in the account can continue to accumulate over time.



Can I take the funds in my HSA with me if I leave the agency or higher education institution?

Yes. Funds in your HSA belong to you, including any contributions that your employer or anyone else has made.

What if I have more questions?



Call

Optum Bank Customer Care
1-866-234-8913



Visit

www.optumbank.com



Talk to your employer



**Thank you
for attending**

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Health savings accounts (HSAs) are individual accounts offered or administered 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, Tuition Assistance Plans, Adoption Assistance Plans, Surrogacy Assistance Plans, Wellness Benefits, and Lifestyle Accounts (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.

This communication is not intended as legal or tax advice. Federal and state laws and regulations are subject to change. Please contact a legal or tax professional for advice on eligibility, tax treatment, and restrictions. Please contact your plan administrator with questions about enrollment or plan restrictions.

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