

Optum Bank[®]
Member FDIC

CONSUMER DIRECTED
HealthSelect[™]

Getting the most out of your health savings account

Consumer Directed HealthSelectSM
health savings accounts (HSAs)

Summer Enrollment 2025



Agenda

1. HSA Basics
2. Eligibility
3. Contributions
4. Qualified medical expenses
5. Paying with your HSA
6. Saving and investing HSA dollars
7. Limited Purpose FSA
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HSA Basics

A health savings account (HSA) saves you money by letting you use tax-free dollars to pay for qualified medical, dental & vision expenses.



How an HSA helps you save money

Save, earn and spend **income tax-free!**



Money in. Deposits are exempt from income tax



Earnings. Interest and potential investment growth are income tax-free



Money out. Funds spent on qualified medical expenses are income tax-free

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

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



- You are not covered by any other health plan that is not a high-deductible health plan
- You are not enrolled in Medicare or TRICARE
- 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 an active health care flexible spending account (FSA)

Other restrictions and exceptions may also apply. We recommend that you consult a tax, legal or financial advisor to discuss your personal circumstances.

If you no longer meet the above eligibility criteria, you must request to stop contributions to your account. You can also discuss this with your tax advisor. Optum Financial customer service can assist with questions about removing excess contributions, if needed.

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.

Things to consider when choosing your contribution amount:

- Do you have any ongoing Rx?
- Do you have any surgeries planned?
- Does your child need braces?
- How much is your deductible?
- Are you considering starting a family?
- When do you plan to retire?



Maximum Contributions

Coverage	CY 2025	CY 2026
Individual	\$4,300	\$4,400
Family	\$8,550	\$8,750

In Plan Years 2025 and 2026, 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.

For additional contribution planning assistance, view the HSA contribution calculator within [OptumBank.com](https://www.optumbank.com) or the Optum Bank mobile app

HSA contributions

How to make a deposit

- Active employees can set up payroll deductions from every paycheck.
- Retirees can make post-tax contributions directly into their HSA.
- Sign into your HSA account at [OptumBank.com](https://www.optumbank.com) 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



Qualified Medical Expenses

Examples of HSA-qualified medical expenses:

 Acupuncture	 Nursing services	 Rx drugs and refills
 Chiropractic care	 Orthodontia (non-cosmetic)	 Psychiatric care
 Eye exams, glasses, contacts	 Long term care	 Sunscreen (SPF 15+)
 COBRA and Medicare premiums	 Physical therapy	 Wheelchairs, walkers, crutches and canes



Use the qualified medical expense tool at [OptumBank.com](https://www.optumbank.com) or the **OptumBank mobile app** to review a full list.

HSA Distributions – Paying with your HSA dollars

Optum
Payment
Card



Pay bills
online



Pay out-of-pocket
and reimburse
yourself



Withdraw from an
ATM with your
payment card*



* Fees apply

- Use your funds for qualified expenses to avoid taxes or penalties. Verify qualified medical expenses at the [qualified expenses tool](#) on Optumbank.com.
- Use your HSA to pay for expenses incurred after the HSA was established.
- Use funds for your own expenses, a spouse and/or your tax dependents.

- For non-qualified withdrawals under age 65, you pay income tax on the funds plus a 20% penalty
- For non-qualified withdrawals over age 65, you will only be taxed on your income.

HSA detailed rules available at [IRS.gov](https://www.irs.gov)
IRS Publication 502 & IRS Publication 969

Save your receipts for all qualified expenses



Optum Bank does not track your expenses or verify eligibility.

To prevent IRS penalties on withdrawals, it is important to keep track of all your bill payments, reimbursements, and out-of-pocket expenses. Using the Optum expense journal makes this easy.

[OptumBank.com](https://www.OptumBank.com)



Saving and investing in your HSA

Once you reach the investment threshold of \$2,000, there are options available for every type of investor:

- 1. Mutual funds** – if you'd like to choose from a preselected list of funds
 - A diverse variety of mutual funds
 - High Morningstar ratings
 - Low expense ratios
- 2. Digitally managed investments – Betterment** if you're short on time or need help
 - Online investment support from Betterment
 - Brief questionnaire on goals, risk profile
 - Low-cost exchange traded funds (ETFs)
 - Auto-deposits and automated rebalancing



- HSA account holders can choose to start investing your HSA dollars when your HSA balance reaches \$2,000. Investing can be an additional way to save for long-term health care needs and financial goals.
- Invested dollars can easily be transferred back to your HSA account to use for medical expenses when needed.
- Investment gains are not subject to tax.
- Investment fee of 0.03% of your average daily investment balance will apply.

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



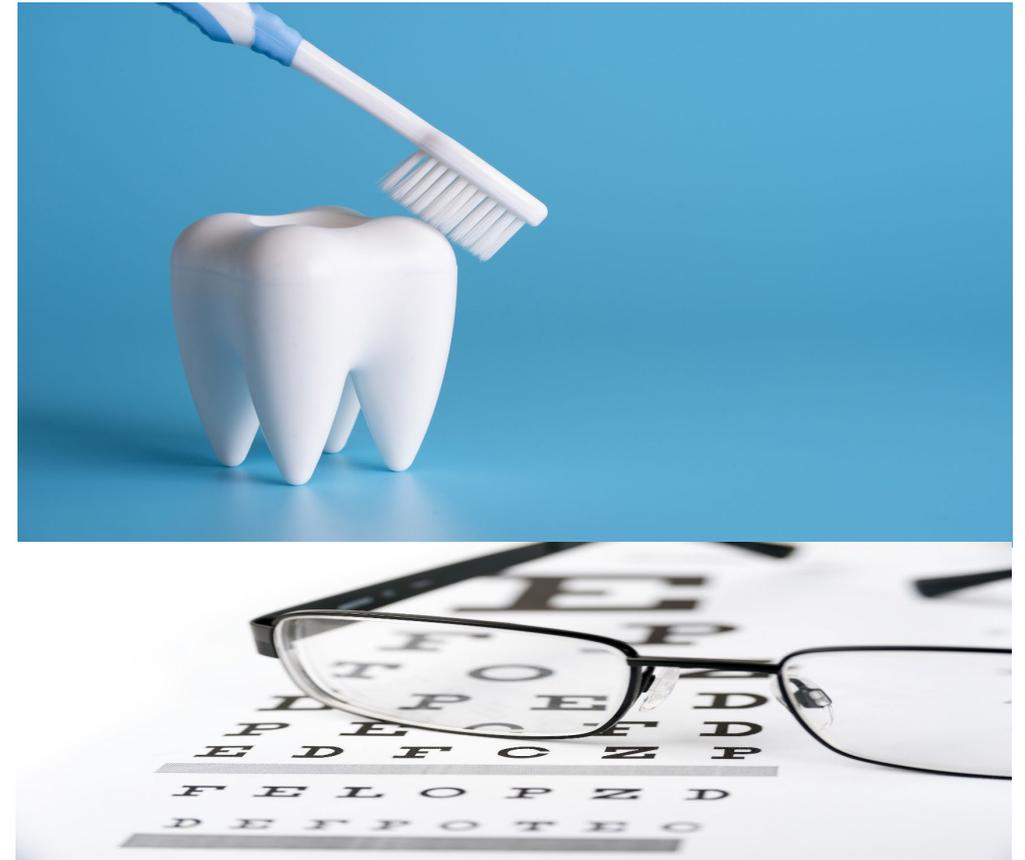
How to start investing HSA funds

1. Log into your **OptumBank** online account: OptumBank.com
2. Click on “Investments” menu on top of page and use drop down to “Transfer Funds”
3. Follow the on-line instructions to enroll in an investment account

Invested dollars can easily be moved back to your HSA as needed.

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, enroll in 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.

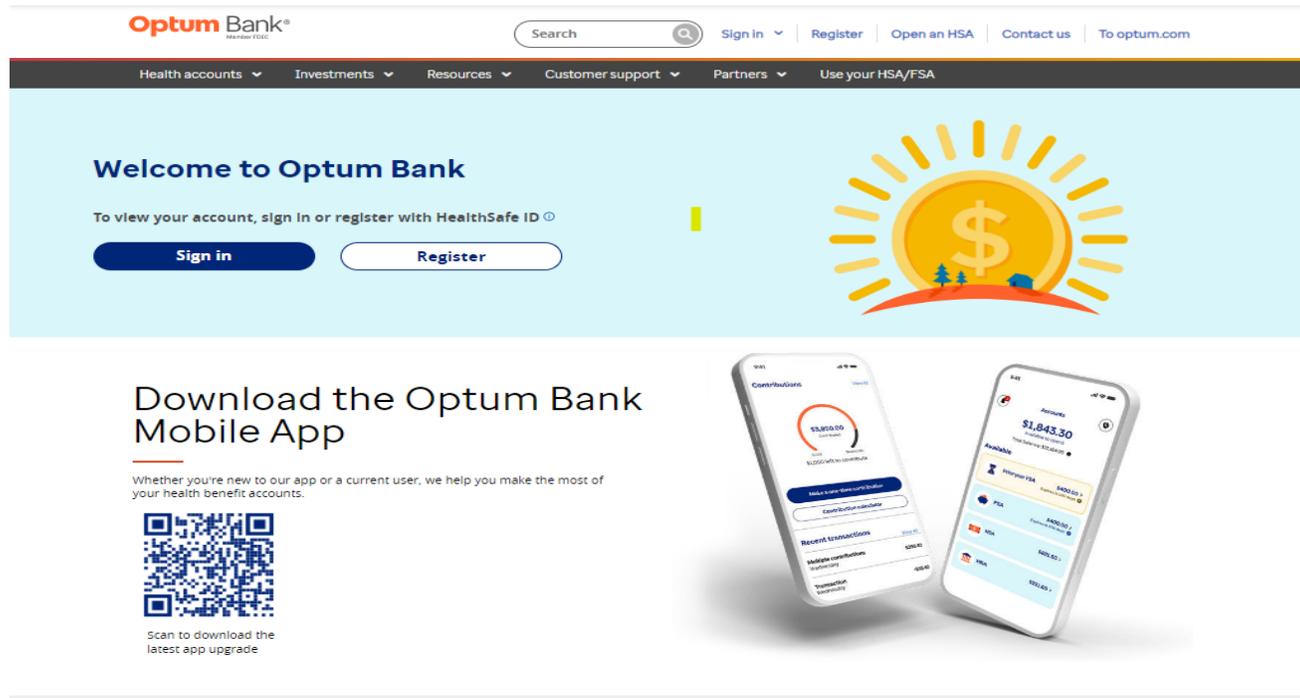


What happens to my HSA when I enroll in Medicare?



- The IRS does not presently permit individuals who are on any type of Medicare coverage to continue contributing to a health savings account.
- Medicare Part A coverage most often begins at age 65. Check with your local social security office for your coverage details.
- When making the shift to Medicare, HSA account holders can *pro-rate* contributions for the number of HSA-eligible months before Medicare coverage is active.
- Please note that your Medicare coverage may be effective up to six months prior if you elect Medicare after age 65.
- Although you may no longer be able to contribute to your HSA when covered by Medicare, you can continue using your saved HSA funds to help with out-of-pocket medical costs

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

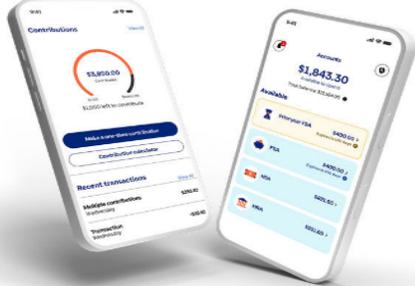
[Sign in](#) [Register](#)

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 Optum Bank 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?

Register with a username and password to set up an account on OptumBank.com: OptumBank.com

How to access your accounts with Optum Financial

Online

- Check your balance
- Make deposits
- Pay bills
- Submit receipts
- Reimburse yourself
- Search for qualified medical expenses
- Manage your investment activity
- Update your beneficiary

App

- Check your balance
- Make deposits
- Pay bills
- Capture and submit receipts
- Reimburse yourself
- Search for qualified medical expenses
- Update your beneficiary

Payment card

- Pay the easier way at the doctor's office, chiropractor or pharmacy
- Pay for qualified medical expenses online

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 HealthSelectSM. We strongly encourage you to open your Optum Bank HSA **ASAP**, to 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
Toll-free (866) 234-8913; TTY 711



Visit

www.optumbank.com



Talk to your employer



HSA Educational Resources

Available on optumbank.com

Optum Bank Academy

Educational courses tailored to your needs.

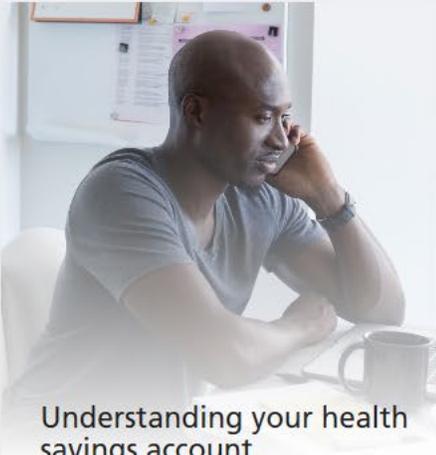
[Sign in and enroll >](#)



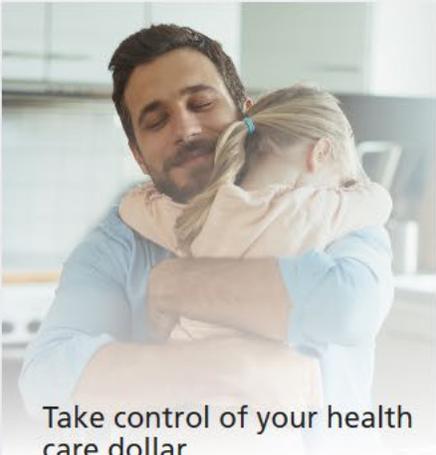
Courses tailored to your needs.

Exclusive to Optum Bank account holders.

[VIEW ALL](#)



Understanding your health savings account
With Optum Bank



Take control of your health care dollar
With Optum Bank



Fund your Future
With Optum Bank

**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.

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