

# HEALTH SAVINGS ACCOUNT (HSA)

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## You Must be Enrolled in the HSA Plan

Star Tribune offers a Health Savings Account (“HSA”) as a part of the HSA Plan. A Health Savings Account (“HSA”) is a special, tax-exempt savings account for qualified medical expenses (the same expenses that are eligible for FSA reimbursement, including dental and vision care expenses). HSA contributions (both the company contributions and your contributions) are generally tax-exempt from federal and state taxes, as are reimbursements for qualified medical expenses. An HSA account belongs to the employee and is held by an outside trustee, similar to a 401(k) account. The company HSA contributions and employee pre-tax payroll contributions will be made into an individual HSA account held at Optum, who is the record-keeper. You are free to open any other HSA account you wish, but your contributions and the company’s contributions will go to the Optum HSA and will be processed each pay period. You may transfer your money from the Optum HSA to another HSA at any time.

### [Eligible Expenses](#)

Not finding what you’re looking for? You can contact Optum at 1-866-234-8913.

### **2025 Maximum HSA Contribution (from all sources, including the Star Tribune contribution)**

- \$4,300 for single coverage
- \$8,550 if you cover any dependents in the HSA Plan.
- “Catch-Up” contribution of \$1,000 for those who are age 55 or older by the end of 2025.

### **Eligibility**

You can only open and contribute to an HSA if you are covered under a qualified high deductible health plan (like the HSA Plan). You cannot have other medical coverage or a health care FSA. If you enroll in the HSA Plan for 2025, you are not eligible for any 2024 health care FSA rollovers.

Also, an employee cannot have an HSA if their spouse enrolls simultaneously in a general-purpose health care FSA with his/her employer, or if the spouse has a 2024 health care FSA with non-forfeited unused funds on Dec. 31, 2024 (if the FSA has a rollover or a grace period that covers expenses incurred in 2024). Even if the spouse does not use or does not plan to use the funds for the Star Tribune employee’s medical expenses, because the spouse’s FSA *could* be used for the Star Tribune employee, the employee is ineligible for an HSA. The spouse may only have a special FSA that is a limited purpose FSA, a post-deductible FSA or an FSA that only reimburses the spouse’s medical expenses in order for the Star Tribune employee to be eligible for an HSA. If the spouse is not enrolled in his/her employer’s health care FSA program, the Star Tribune employee is eligible for the HSA.

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Tax-exempt reimbursement of out-of-pocket medical expenses for your non-dependent adult children is not allowed under the HSA. If you receive reimbursement for expenses of your non-dependent adult children from your HSA, the amount of your reimbursement will be taxable income to you plus you will incur an additional 20% tax penalty.

### Advantages of an HSA

- Unlike the Health Care FSA, HSA balances rollover from year to year.
- You can be reimbursed for your qualified dependents' medical expenses, even if they are not covered under a qualified high deductible plan.
- You can reimburse yourself at any time, even if you are no longer covered by a qualified high deductible plan. HSA accounts are portable.
- You will receive VISA debit card from Optum, which you can use to pay your medical expenses. You can also write your account number on your provider's bill and return it to your provider, so the expense is charged against your HSA.
- You will have online access to your HSA account with Optum to see your balance, account activity, and obtain forms, etc. UMR partners with Optum, so you will also have a link to your HSA from the UMR website.

### Important Things to Know About an HSA

- **You can only be reimbursed or use your debit card to pay expenses up to the current balance in your HSA account.** If you have a major expense early in the year, you can set up a reimbursement process with Optum so that you are automatically reimbursed for your expense from your HSA as funds are deposited in your account. This will allow you to also set up a payment plan with your provider, if desired.
- Unlike an FSA, Optum will not determine if your claims are qualified medical expenses before you are reimbursed. If the expenses are not qualified, you will be liable for regular income taxes and a 20% tax penalty on the amount you spend that's not for qualified medical expenses. You will need to decide which expenses are eligible for tax-exempt reimbursement and keep your receipts and records to prove the expenses were qualified medical expenses in the event of an IRS tax audit. The company will provide links on the Stribnet Benefits website to resources to help you make the determination, such as the U.S. Treasury HSA website.
- You will have an additional form to file with your tax return at the end of the year (Form 8889) if you have an HSA. Your Star Tribune W-2 will show both your contributions and the company's contributions into your HSA. Optum will also send you a year-end form (1099) showing both your contributions and withdrawals from your HSA. A tax preparer or advisor can help you with the required filing and answer any additional questions.
- Star Tribune pays the nominal monthly maintenance fee for your Optum HSA while you are an active employee. Once you leave the company, you will be required to pay the fee.