

KNOW YOUR BENEFITS

HEALTH SAVINGS ACCOUNT

FREQUENTLY ASKED QUESTIONS ABOUT HSA PLAN WITH HEALTHEQUITY

Please note: Participants are urged to check their HSA election amount on an annual basis.

Am I eligible to participate in an HSA?

To be eligible for an HSA, you:

- Must have coverage under an HSA-qualified HDHP
- Cannot have other first-dollar medical coverage (i.e., a policy with no deductible)
- Cannot be enrolled in Medicare
- Cannot be claimed as a dependent on someone else's tax return

Contributions to the HSA must stop once you are enrolled in Medicare. However, you can keep the money in your account to pay for qualified medical expenses tax-free.

How do I manage my HSA?

Your Health Savings Account (HSA) is your account; the HSA dollars are your dollars. Since you are the account holder, or HSA beneficiary, you manage your HSA account. You may choose when to use your HSA dollars or when not to use your HSA dollars. HSA dollars pay for any eligible expense. Most commonly, the HSA account holder will use HSA dollars to pay for out-of-pocket expenses associated with their high-deductible health plan, such as a deductible or coinsurance.

What expenses are eligible for reimbursement from my HSA?

HSA dollars may be used for medical and prescription drug deductibles, coinsurance, copayments, and much more! A full list of qualified medical expenses is outlined within IRS Section 213(d). In summary, the IRS Section 213(d) states that "the expense has to be primarily for the prevention or alleviation of a physical or mental defect or illness."

When do I contribute to my HSA account, and how often can I?

You can contribute to your HSA account through payroll deductions. Per IRS regulations, your contributions in 2026 cannot exceed **\$4,400** for individual coverage or **\$8,750** for family coverage. Individuals who are age 55 and older are eligible to make a "catch-up" contribution of \$1,000.

Are dental and vision care qualified medical expenses under an HSA?

Yes, as long as these expenses meet IRS Section 213(d) requirements for qualified medical expenses. For example, cosmetic procedures, such as cosmetic dentistry, would not be considered a qualified medical expense.

What expenses are NOT eligible for reimbursement from my HSA?

The following expenses may not be reimbursed from an HSA:

- Premiums for Medicare supplemental policies
- Expenses covered by another insurance plan
- Expenses incurred prior to the date the HSA was established

When can I start using my HSA dollars?

You can use your HSA dollars immediately following your HSA account activation and once contributions have been made.

In addition to qualified medical expenses, the following insurance premiums can be paid from an HSA:

- COBRA premiums
- Health insurance premiums while receiving unemployment benefits
- Qualified long-term care premiums
- Any health insurance premiums paid, other than for a Medicare supplemental policy, by individuals aged 65 and over

How do I pay my physician or network facility at the time of service with my HSA dollars?

You may request that the network provider submit your claim to your health plan. You should make sure that your provider has your most up-to-date insurance information. Once the medical claim has been processed, if applicable, out-of-pocket expenses will be billed. At this time you may choose to use your HealthEquity card to pay for any out-of-pocket expenses, or you may choose to pay with your own money and receive reimbursement at a later date. You should always ask that your medical claim be submitted to the health plan before you seek reimbursement from your HSA. This procedure will ensure that provider discounts are applied. Also, remember to keep all medical receipts and any Explanation of Benefits.

What if I have HSA dollars left in my account at year-end?

The money is yours to keep. It will continue to earn interest and will be available for you and your health care costs next year. Any dollars left in your HSA account at year-end will automatically roll over into next year's HSA account.

What happens to my HSA dollars if I leave Southern Land Company?

The funds are yours to keep. You may elect one of the following options:

- Leave your funds in the current HSA account
- Transfer your funds to an HSA with your new employer
- Transfer your funds to another qualifying account within 60 days

Can my HSA dollars be used for retirement health care costs?

Yes, but only for expenses eligible for reimbursement.

Can I use the money in my account to pay for my dependents' medical expenses?

You can use the money in the account to pay for the medical expenses of yourself, your spouse, or your dependent children. You can pay for the expenses of your spouse and dependent children even if they are not covered under Southern Land Company's plan.

Can couples establish a "joint" account and both make contributions to the account, including "catch-up" contributions?

"Joint" HSA accounts are not permitted. Each spouse should consider establishing an account in his or her own name. This allows you to both make catch-up contributions when you are 55 or older.

Southern Land Company offers an FSA—can I have both an FSA and an HSA?

Yes, but only under certain circumstances. Since Southern Land Company provides a dependent care reimbursement account FSA (which covers expenses related to the care of a dependent), you remain eligible for an HSA. Please note, you **cannot** have both an HSA and a Healthcare FSA.

Can I shift my IRA funds to my HSA?

Owners of individual retirement accounts who are enrolled in a High Deductible Health Plan can shift IRA funds to an HSA without facing a tax penalty. The IRS allows a one-time transfer that does not exceed your maximum HSA contribution limit.

Can I borrow against the money in my HSA?

No. You may not borrow against it or pledge the funds in it. For more information on prohibited activities, see Section 4975 of the Internal Revenue Code.

Can the funds in an HSA be invested?

Yes. You can invest the funds in your HSA. The same types of investments permitted for IRAs are allowed for HSAs, including stocks, bonds, mutual funds and certificates of deposit.