



BENEFIT TIP

APRIL HEALTH SAVINGS ACCOUNT (HSA)

If you participate in the HSA-Qualified HDHP, you may be eligible to participate in a Health Savings Account (HSA), if you meet HSA eligibility criteria. An HSA is a tax-exempt account used to pay for qualified healthcare expenses, including medical, dental, vision, and prescription costs.

Using Your HSA Funds

You can use your HSA funds for out-of-pocket healthcare expenses, such as deductibles and coinsurance. Alternatively, you may choose to save your funds for future healthcare or investment needs. HSA funds can be used for qualified expenses for yourself, your spouse, and your dependent children, even if they are not covered under your plan. Examples of qualified expenses include:

- Doctor's visits
- Dental care
- Vision care
- Prescription medications

For a complete list of qualified expenses, visit www.irs.gov/publications/p502.

HSA Eligibility

To be eligible for an HSA, you must:

- Be covered under an HSA qualified high deductible health plan (HDHP)
- Not have other first-dollar medical coverage (i.e., policy with no deductible)
- Not be eligible for or enrolled in Medicare
 - If you are enrolled in Medicare, you can continue to use your HSA funds for qualified health expenses; however, you can no longer contribute to the HSA
- Not be claimed as a dependent on someone else's tax return

HSA Highlights

- Triple tax advantage — contributions are made pre-tax, account growth is tax-free, and withdrawals for qualified healthcare expenses are also tax-free.
- There is no "use it or lose it" rule with an HSA. Unused funds in your HSA will roll over from year to year; you do not lose money if you do not spend it by the end of the year.
- You can save and invest unused HSA funds for future healthcare needs
- Your HSA is portable. When you retire or leave the company, your HSA funds go remain available to you

HSA Contributions

The maximum amount that can be contributed to your HSA each year is set by the IRS and depends on whether you have individual or family coverage under your HDHP. For 2026, the contribution limits are:

- **\$4,400** for individual coverage
- **\$8,750** for family coverage
- The annual catch-up contribution for age 55 and older is \$1,000

You must stop making contributions to the account once you are enrolled in Medicare. However, you can continue to use the funds already in your HSA to pay for healthcare expenses tax-free. HSA participants are encouraged to review their HSA election amount annually. Your pay period contributions will continue unless you choose to make a change.



SOUTHERN LAND
COMPANY