



Health Savings Account Fact Sheet

As the cost of health care coverage continues to rise, Health Savings Accounts provide access to affordable health care coverage for small business owners, employees, and the self employed.

- A Health Savings Account (HSA) is a tax preferred account owned by an individual used to pay for current and future medical expenses, including deductibles, co-payments and other forms of cost-sharing.
- HSAs are funded by tax deductible contributions. Both employees and employers may contribute to the employees' HSA, which is different from other tax-preferred health care coverage which limits contributions to only one party.
- HSAs are available to individuals covered by HSA-eligible health plans, like high deductible plans and other consumer-directed health plans.
- HSAs are **portable**, meaning that the individual has **ownership** of the resources in the HSA. An individual is not dependent on a particular employer, should the individual change jobs or become unemployed. Instead, the HSA travels with the individual.
- Individuals with HSAs have **flexibility** to use their HSA account funds to pay for current medical expenses or save the money in the account to pay for future medical expenses.
- Today's health-care environment often presents high or unexpected bills. HSAs matched with the individuals HSA-eligible insurance provide **security** against high or unexpected bills.
- Since the HSA is owned by the individual, the individual has **control** over the account. This lets the individual make all decisions about the account; including how much to put in the account, whether to save the account for future expenses or for current medical expenses, which medical expenses to pay with the account, and which company will hold the account.
- For small business owners, HSAs avoid the administrative time and costs, since employees self-administer their HSA.
- Small business owners can determine how much they want to contribute to their employees' accounts and are able to choose the frequency with which they make such contributions. No minimum contributions are required.

For more information on HSAs, visit

www.hsa.gov

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