

# Frequently Asked Questions | Health Savings Account (HSA)

## HSA 101

### What is a Health Savings Account (HSA)?

A Health Savings Account (HSA) is a tax-advantaged medical savings account you can contribute to and draw money from for certain medical expenses tax-free. HSAs can be used for out-of-pocket medical, dental, and vision expenses. HSAs can't be used to pay health insurance premiums. HSAs can only be used with [High Deductible Health Plans](#) that count as "[Minimum Essential Coverage \(MEC\)](#)."

### Is every individual health plan HSA-Eligible?

No, not every ACA-compliant individual health plan is HSA-eligible. Some health plans have out-of-pocket maximums that are too high to qualify for HSAs. Likewise, some higher-end plans have deductibles too low to qualify, and some catastrophic plans have deductibles too high to qualify.

### Can I use my ICHRA Health Plan with an HSA?

Yes! These two tax-advantaged programs can be used together, but there are rules in place so you can't double dip when it comes to using tax-advantaged funds for medical expenses. The Individual Coverage Health Reimbursement Arrangement (ICHRA) must be set up to only reimburse/contribute to healthcare premiums and not other medical expenses in order to be eligible to take advantage of an HSA. If the ICHRA reimburses premiums and medical expenses, then employees are disqualified from contributing toward an HSA.

### What are the minimums, maximums, and limits for 2026 HSA's?

For 2026, an HSA can be paired with any plan with an annual deductible of more than \$1,700 for self-only coverage, or \$3,400 for family coverage.

| 2026   | Minimum Deductible | Maximum Out-Of-Pocket | Contribution Limit | 55+ Contribution Limit |
|--------|--------------------|-----------------------|--------------------|------------------------|
| Single | \$1,700            | \$8,500               | \$4,400            | +\$1,000               |
| Family | \$3,400            | \$17,000              | \$8,750            | +\$1,000               |

The IRS sets HSA limits each year, and the limits are then published in the Federal Register. See RP-2024-25 (irs.gov) for the final HSA levels for 2025.

### How can I identify HSA-compatible individual health plans?

HSA-eligible plans are identified in SureCo's Enrollment Platform; if a plan is HSA-Eligible, then you will see "HSA-Eligible" noted near the plan name. While you are shopping for plans in SureCo's platform, you can also filter under "plan types" to show only HSA-Eligible plans by selecting "HSA".

## Enrolling in an HSA

If I enroll in an HSA eligible individual Health Plan in SureCo's Enrollment Platform, will a Health Savings Account automatically be set up for me?

No. A health saving account will not automatically be set up for you after you enroll in an HSA eligible health plan. You can check with your employer to see if they partner with HSA financial institutions, or you can research HSA providers online. Most banks and credit unions offer health savings accounts. It is recommended that you ask your bank if they offer an HSA option that meets your needs. Additional places to consider include:

- [Lively](#)
- [Fidelity HSA](#)
- [HealthEquity](#)
- [The HSA Authority](#)

Things to think about when choosing an HSA:

- Some HSAs have fees associated with them, like a charge for opening or closing the account and monthly maintenance fees.
- Banking options and services, like debit cards and online banking, may differ by HSA provider.
- How you'll make your pre-tax dollar deposits into your HSA may also vary.

### **Am I required to report my HSA account on my tax returns?**

If you use an HSA, you'll need to file form 8889 [2023 Form 8889 \(irs.gov\)](#) along with your Federal Income Tax Returns. If you are enrolled in an HSA compatible health plan but do not fund an HSA, you will not need to file this form.

### **What can HSAs be used for?**

Funds from an HSA may only be used for qualified medical expenses without incurring tax liability. The IRS provides examples of qualified expenses as: doctors' visits, dental care or braces, eye exams, eyeglasses, LASIK surgery, prescription medications, acupuncture, chiropractic, hearing aids and batteries, long-term care expenses and insurance premiums, smoking cessation, physical therapy, psychological counseling, psychiatric care, and nursing home care. The use of your HSA is relegated by Section 213 (d) of the Internal Revenue Code and more information is offered in IRS Publication 502 titled, "Medical and Dental Expenses."

### **Can I use my existing HSA funds if I am no longer enrolled in an HSA-Eligible plan?**

Yes, you can continue to use your HSA dollars. Your insurance coverage status does not change how you can use your existing account. Whether you have new coverage that is not a high-deductible plan, or no insurance coverage at all – you can still use your HSA balance. No matter what, you must still follow the IRS rules for purchases with those HSA dollars.