



# An individual's guide to the health savings account (HSA)

21<sup>ST</sup> EDITION / 2026 LIMITS





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## Publisher's note

These health savings account (HSA) guidelines have been a valuable resource for millions of Americans since 2004. It's an easy-to-understand handbook that gives you the information you need to know about HSAs. But, even with this information, you need to review your own situation.

Not everything in this guide may apply to you. You first need to decide if a HSA is right for you. If you do have an HSA, you need to decide how much you want to contribute. You also need to decide how you want to use it. If you need tax or legal advice, please speak with your own tax or legal advisor. They can help you understand how an HSA will work for you.

## About Inspira Financial

Inspira is one of the nation's leading account-based third-party administrators providing innovative benefits administration and technology solutions for health care spending and saving accounts, COBRA, and commuter benefit programs. The company powers the development and delivery of complete health care benefits administrative services for both people and businesses.

Inspira pioneered the first platform that combines benefit financial accounts, wellness, and eligibility management all in one. This platform houses nearly two million participants and several million eligible lives, combines over two decades of tax-advantaged account administration experience with a suite of wellness and engagement services that are integrated to form a powerful solution. Our complete solution is designed to educate you on health care issues, engage you in wellness activities through customized programs and incentives, and empower you to make your own health care decisions.

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## Learn about using a health savings account (HSA)

You can use an HSA to pay for qualified medical expenses. You can use it as you have expenses. Or you can save the funds for future expenses. You decide when you use your funds. You also decide what expenses you pay for with your HSA funds. You can also invest the funds. You must have a qualified high deductible health plan (HDHP) to contribute to an HSA.

### An HSA offers triple tax savings

- Pretax or tax-deductible contributions.<sup>1</sup>
- Tax-free interest and investment earnings.<sup>2</sup>
- Tax-free distributions, when used for qualified medical expenses.

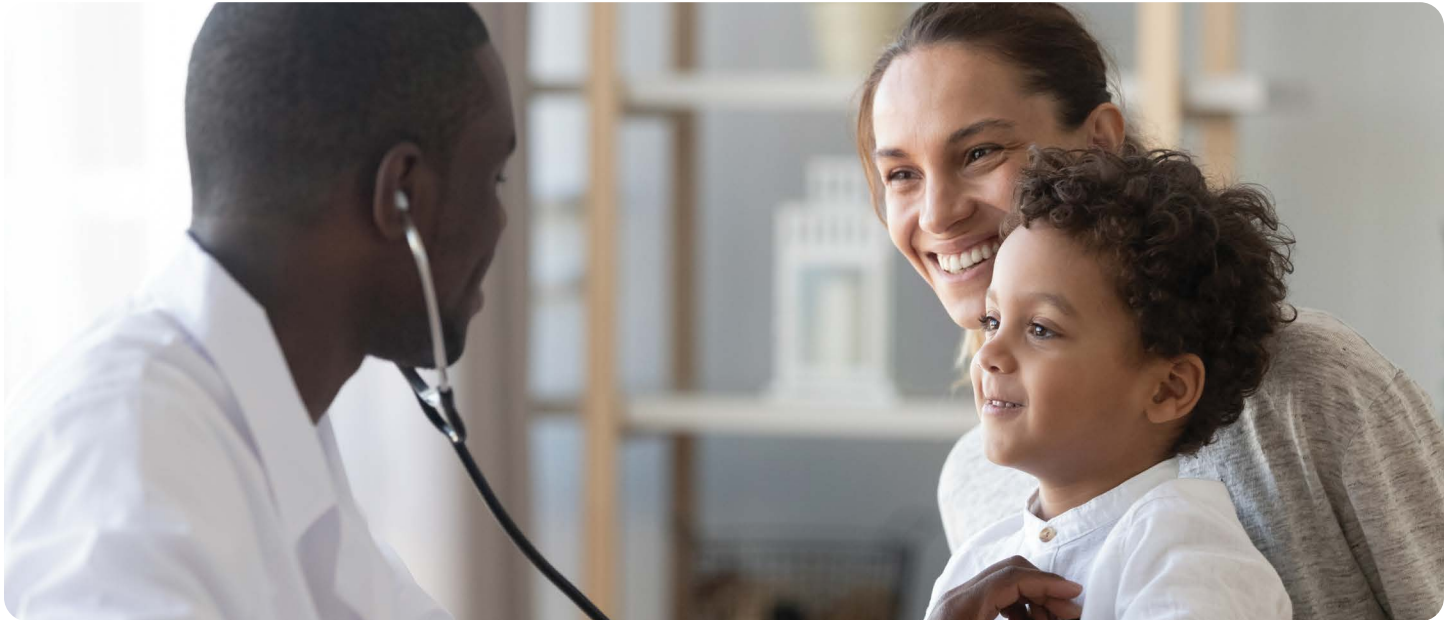
Anyone can contribute to your HSA. This includes you, your employer, your spouse, or anyone else. You can then make tax-free withdrawals to pay for eligible medical expenses. This includes expenses for you, your spouse, and your tax dependents. This is true even if you have a self-only HDHP.

HSAs are portable — that means you keep your HSA even if you change employers or stop working. Unlike a flexible spending account (FSA), there is no “use-it-or-lose-it” rule with HSAs. If you don’t use funds, they remain in your HSA each year. They also continue to earn tax-free interest and have no income limits.

If you invest your HSA funds, they remain in the investment account, like an IRA or 401(k). This all means that HSAs have the potential for long-term, tax-free savings.

<sup>1</sup> You should consult a tax advisor. Tax references are at the federal level. State taxes may vary.

<sup>2</sup> HSA earnings may be taxable in some states. Investment products are not FDIC insured, have no bank guarantee, and may lose value.



## Know the basic rules of an HSA

### Qualified high-deductible health plan (HDHP)

You must have a qualified HDHP. There are some rules about what makes the HDHP qualified for HSA. We'll cover those later in this guide. You also can't be enrolled in Medicare or Tricare; be someone else's tax dependent; or have any non-permitted coverage.

### Ownership

- The money in your HSA is yours to keep. Even if your employer makes contributions to your HSA, those funds are yours. This is true even if you change employers or are no longer working.
- You're in charge of your HSA funds. This makes you the decision maker. When you spend your own money, you'll likely ask more about the cost of your health care — making you a more savvy consumer.

### Withdrawals

- You can use your HSA for expenses that you incur after you've opened your HSA. This means that you have to incur the expenses after you have the HSA. You can't use any funds for medical care that you had before you opened the HSA. There is no time limit for when you actually reimburse yourself.

- You must keep all receipts and records. These will show that you used your HSA funds to pay for eligible medical expenses. You also want these receipts in case you are audited by the Internal Revenue Service (IRS).
- You decide if, when, and how much to spend from your HSA. You also decide if you want to use the funds now or save them for the future.
- If you use your funds to pay for a non-eligible expense, you will have to pay income taxes on that amount. You may also have to pay a 20% tax penalty. This penalty does not apply however if you are age 65 or older or you are disabled at the time you make this withdrawal to pay for a non-eligible expense, but you would still have to pay income taxes on that amount.

### Contributions

Anyone can contribute to your HSA. This includes you, your spouse, your employer, and anyone else. No matter who contributes to your HSA, you get the tax benefit for the contribution.



## Eligibility

### Qualified high deductible health plan (HDHP)

To be eligible for an HSA, you must have a qualified HDHP. An HDHP has a higher deductible than most health plans. With this type of plan, you first pay a deductible. Your coverage level (self-only vs. family) sets your deductible. A self-only plan covers just you. A family plan covers you and at least one other person. Once you pay the deductible, then the plan pays for medical care according to its terms. A qualified HDHP has the following elements:

- › Minimum deductibles
- › Limit on out-of-pocket expenses
- › Allowance to cover preventive care

**Note:** The One Big Beautiful Bill (OBBB) Act, signed into law on July 4, 2025, treats Affordable Care Act (ACA) Marketplace Bronze and Catastrophic plans as HDHPs.

### Minimum deductibles

A qualified HDHP must have a minimum deductible, which is set each year by the IRS. This means that the plan can't have a deductible that is less than this. If it does, it is not a qualified plan for the HSA. A deductible is set for the plan year.

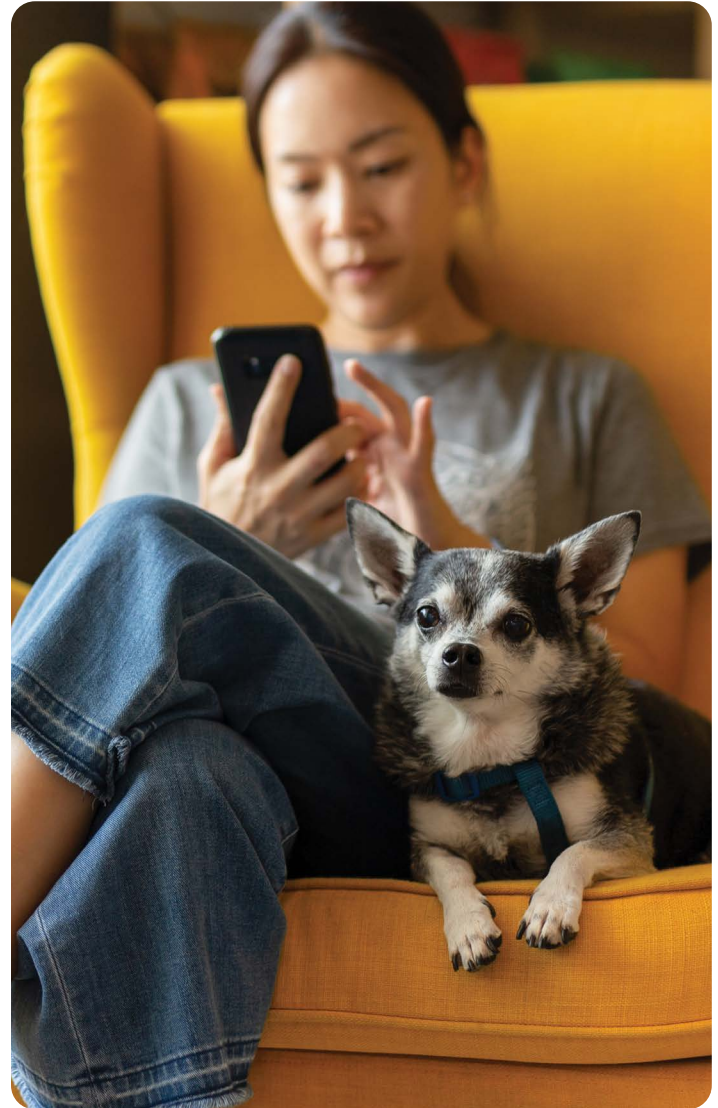
MINIMUM ANNUAL DEDUCTIBLE	2026
Self-only coverage	\$1,700
Family coverage	\$3,400

### Limit on out-of-pocket expenses

A qualified HDHP has a limit for what you pay out-of-pocket, which is set each year by the IRS. This limit is for the plan year and is the maximum amount that you may pay for deductibles, copays, and co-insurance. These maximum amounts apply just to in-network services; maximum out-of-pocket expenses for out-of-network services may be higher.

**Note:** This does not include what you pay for premiums and/or contributions; lifetime limits; and expenses that the plan does not cover.

MAXIMUM OUT-OF-POCKET LIMIT	2026
Self-only coverage	\$8,500
Family coverage	\$17,000



### Preventive care

The HDHP may cover preventive care while you are still meeting the deductible. As described in the Affordable Care Act and in IRS Notice 2004-23 and Notice 2019-45, this could include regular checkups as well as routine gynecological and well-child exams. As of July 17, 2019, certain medicines and services related to specific chronic conditions including asthma, congestive heart failure, depression, diabetes, heart disease, hypertension, and osteoporosis. It also includes counseling to prevent illness, disease, or other health problems. For your reference, a listing of recommendations and guidelines can be found [here](#).

### Allowable other coverage

In general, to be eligible for an HSA, you can't have any coverage other than the HDHP. However, there are some other plans that you may have and still be eligible for the HSA. These include the following:

- Workers' compensation
- Medical liability for personal property (for example, car insurance)
- Coverage for a specific illness or disease
- Direct primary care (DPC) memberships (monthly fees must be below the annual limits)
- A daily fixed amount for a hospital stay
- Dental
- Vision
- Long-term care (LTC)
- Employee assistance program (EAP)
- Wellness

In addition, receipt of Veterans Affairs (VA) hospital care or medical services "for a service-connected disability" will not adversely affect an individual's ability to make HSA contributions, regardless of when the VA care or services were provided.



For this purpose, a "service-connected disability" is a disability that was incurred or aggravated in the line of duty in the active military, naval, or air service.

### Flexible spending account (FSA) and health reimbursement arrangement (HRA)<sup>3</sup>

- You can pair an HSA with a limited purpose FSA (LPFSA) or HRA (LPHRA). The LPFSA and LPHRA reimburse for dental, vision, and preventive care.
- You can have a post-deductible HRA or a post-deductible LHRA. They reimburse expenses that you incur after you meet your plan deductible.
- You can have a combination of limited purpose and post-deductible.

### Non-permitted coverage

- You can't have other non HSA-qualifying health coverage, subject to certain exceptions.
- You or your spouse can't have an active health care flexible spending account (FSA) or health reimbursement arrangement (HRA) in the same year.
- If you are enrolled in Medicare or Medicaid, you're not eligible for an HSA. If you had an HSA when you enrolled in Medicare or Medicaid, you can still use the funds. You just can't contribute to the account. Note: If you are eligible for Medicare but not yet enrolled, you can still contribute to the HSA.
- If you are enrolled in Tricare, you're not eligible for an HSA. (Tricare is health coverage for people in the military.) If you had an HSA when you started on Tricare, you can still use the funds. You just can't contribute to the account.
- You can't be claimed as a dependent on another person's tax return.

<sup>3</sup>All spending accounts have limitations and exclusions; please refer to your employer's plan documents for specific information about your plan.

## Contributions

### Contribution rules

- You must have a qualified HDHP to contribute to an HSA.
- After the HSA is opened, you can deposit funds into the HSA any time during the year and in any amount up to the annual pretax limit, which includes any employer contribution.
- You can contribute up to the tax filing deadline for the year. For most people, that is April 15 of the next year.
- If you no longer have an HDHP, you can't continue to contribute to your HSA. However, you can still contribute up to your annual limit for the time you were eligible for the HSA. This means that you can contribute for the months that you had the HDHP. You can do this up until the tax filing deadline. See the Proration Rule section below. **Note:** You can continue to spend the HSA funds for eligible expenses. Each year the IRS sets the contribution limits for the next year. These limits are for HDHP coverage (self-only vs. family). These limits are the most that you can contribute for the year to an HSA. These amounts may change each year for the cost-of-living adjustment.

MAXIMUM CONTRIBUTION PER YEAR	2026
Self-only coverage	\$4,400
Family coverage	\$8,750

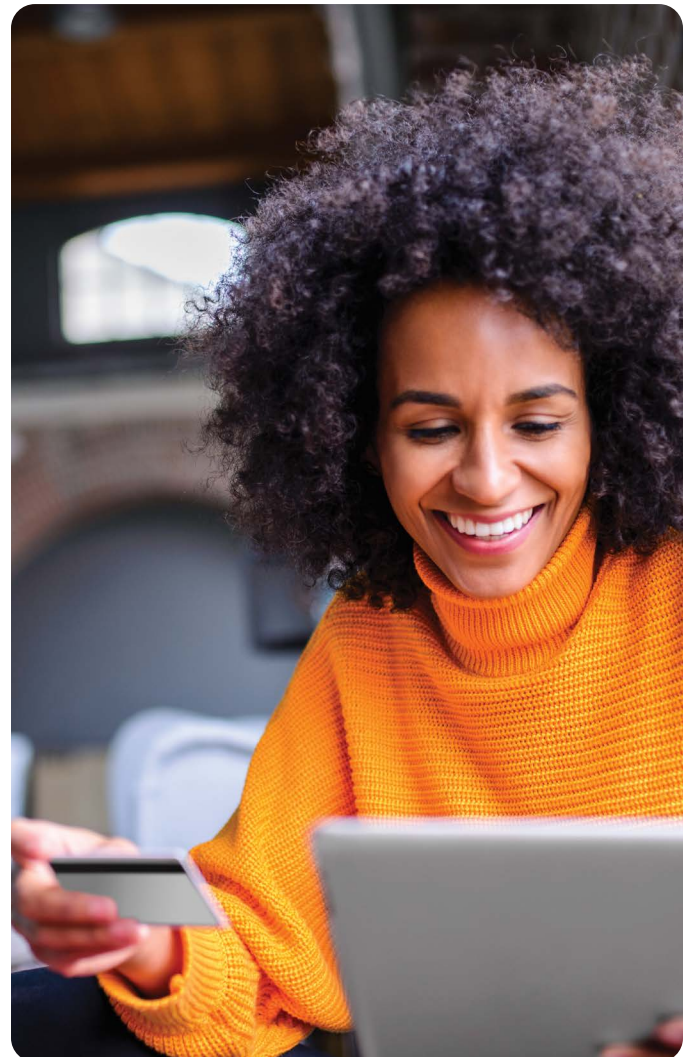
- Deposits to an HSA must be made in cash.
- If you are married and either you or your spouse has a family HDHP, then both of you have family coverage. This is true even if one of you has a family plan and the other one has a self-only plan. Each of you can have an HSA. This means that together you can contribute up to the family limit. You can't each contribute up to the family limit.
  - › If you each have a self-only plan, then you can each contribute up to the self-only limit to your respective HSA.
  - › If you have a family plan with a deductible for each person you can still contribute only up to the family limit.

### Let's look at an example

You have a \$4,000 deductible for each person. You and your spouse are on the plan. The contribution limit for the two of you is the family limit for the year. Between the two of you, you can contribute up to that amount.

### Under age 26, covered on parents' health insurance

- Adult children up to age 26 who are covered on an employee's health plan and do not have other non-permitted coverage, can open their own HSA if covered under the family's HDHP.
- This means that the adult child can contribute up to the family IRS maximum for the given tax year into their own HSA.
- The dependent's contributions will not reduce the amount their parents can deposit into their accounts.





### Last-month rule

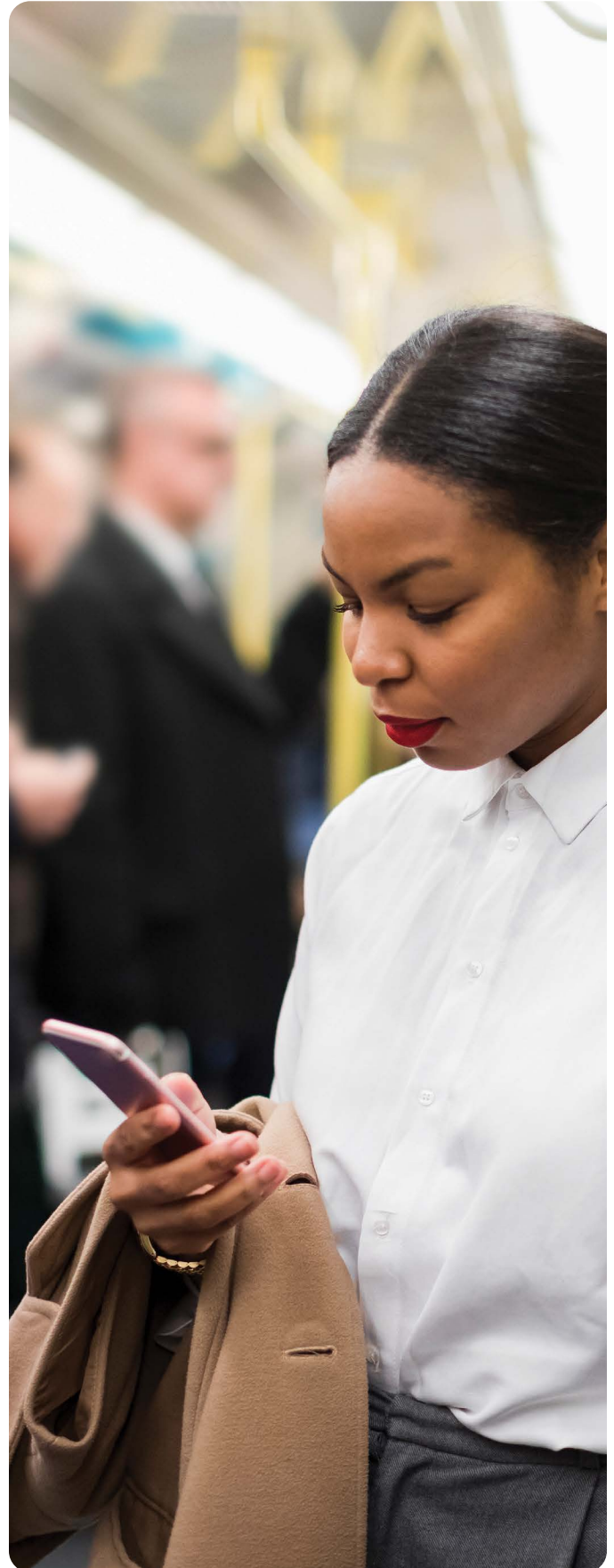
Sometimes an employee does not have the HDHP for the entire year. They may start at some point after Jan. 1. This would be true for late enrollees, new hires, and for plan years that do not start on Jan. 1.

- If you have an HDHP on Dec. 1, you can contribute to the HSA as if you were eligible all year. You would have to stay in the HDHP through the “testing period.” The testing period starts with the month of December. It continues through the end of the next year. This is a total of 13 months. If you do not stay in an HDHP through the testing period, then the contributions for the months that you did not have the HDHP are no longer tax-free. You would also have to pay a 10% penalty.
- If you have a self-only HDHP on Jan. 1 and end the year with a family HDHP, the last-month rule applies. Since you would have a family plan on Dec. 1, you can contribute as if you had a family plan all year. You would then have to meet the testing period. That means that you must have an HDHP through the end of the next tax year.

### Proration

- If you have an HDHP for part of the year but not on Dec. 1, then the proration rule applies. This means that you contribute to the HSA just for the months that you’re eligible. To prorate, you would calculate your contribution for each month that you’re eligible. How much you can contribute for each month is based on the plan you have on the first day of the month.
- If you have a family HDHP on Jan. 1 and end the year with a self-only HDHP, you will have to prorate your contributions. You would have to prorate for the months when you had a family plan. You would then have to do this for the months when you had a self-only plan. Then you add those amounts together to determine your maximum contribution amount for the year.

**Note:** With proration, there is no testing period.



## Rollovers

The term “rollover” has several meanings.

**Funds in the HSA roll over from year to year:** Funds remain in the HSA from year to year. There is no use-it-or-lose-it rule for HSAs.

### **You can roll over funds from one HSA to another**

**HSA:** You can roll over funds from an archer medical savings account (MSA) into your HSA. You can also roll over from one HSA to another HSA. You must complete this within 60 days of withdrawing the funds. You can do this once a year. The rollover amount does not count toward your contribution limit.

### **You can roll over funds from an IRA to an HSA:**

If you have an IRA, you can make a one-time transfer of funds to your HSA. This is a tax-free trustee-to-trustee transfer. The amount of this transfer counts toward your annual contribution limit. This is based on the HDHP plan (self-only vs. family) that you have in the month of the transfer. **Note:** This is not allowed for a simplified employee pension (SEP) IRA or a savings incentive match plan for employees of small employers (SIMPLE) IRA.

- There is a “testing period.” You must remain in the HDHP through the end of the testing period. The testing period starts in the transfer month. It continues through the next 12 months. This is a total of 13 months.
- If you do not have an HDHP through the end of the testing period, you will have to pay income taxes on the transfer amount. You may also have to pay a 10% penalty tax.

**Note:** If you change from a self-only plan to a family plan, you can do a second transfer. The amount of the second transfer however is limited to the difference between the contribution limits between a self-only and a family plan.

## Trustee-to-trustee transfers

If you instruct one bank or trustee to move HSA funds to another HSA with a different bank or trustee, this is a trustee-to-trustee transfer. This is not a rollover. You can do this as often as you want. The transferred amount does not count toward your contribution limit.

## Catch-up contributions

- If you are 55 and older you can contribute an additional \$1,000 to your HSA. This is a “catch-up” contribution. You can do this each year that you are eligible for an HSA. Once you enroll in Medicare you are no longer permitted to make these contributions.
- If you have to prorate contributions for the year, then you would also do this for your “catch-up” contribution.
- If you have a family HDHP that covers your spouse, and your spouse is age 55 or older, they can make a catch-up contribution. If your spouse wants to do this, they would have to open their own HSA. Only one person can own an HSA. This means that your spouse can’t contribute their catch-up contribution to your HSA.

**Note:** This is assuming that your spouse is not yet enrolled in Medicare.





## Medicare

- If you have a family HDHP and are not yet enrolled in Medicare, you may still contribute up to the family limit plus catch-up contribution, if applicable, even if your spouse is enrolled in Medicare. Your spouse would not be able to contribute to an HSA.
- Once you enroll in Medicare, you are no longer eligible to make contributions to your HSA. Your eligibility to make contributions to the HSA will cease beginning on the first day of the month that you have enrolled in Medicare. For example, if you enroll on Aug. 13, 2025, you may not contribute to your HSA beginning on Aug. 1. You are, however, able to contribute for the portion of the year that you were not covered by Medicare (in the above example, Jan. 1, 2025–July 31, 2025). You must prorate both your regular contribution amount as well as the catch-up contribution, if applicable.
- Going forward, even though you are no longer eligible to contribute to an HSA, you may continue to use your HSA funds.
- You can treat your Medicare premiums as qualified medical expenses if you are 65 or older.
- If you delay enrolling in Medicare, you may receive up to six months of retroactive Medicare coverage. That period of retroactive coverage will be a period of Medicare entitlement. You will lose your HSA eligibility on the retroactive entitlement date, not the date you applied for Medicare coverage, making you not eligible to contribute towards an HSA for those prior six months. So, for example, you delayed Medicare enrollment and are now 68. You've now signed up for Medicare in Sept. Based on the Medicare entitlement rule, you would not be eligible to make any HSA contributions for the preceding six months (March through August). You will need to remove any excess contributions to avoid tax penalties. To avoid a tax penalty, you should stop contributing to your HSA at least six months before you apply for Medicare.
- As a reminder, if you need tax or legal advice, please speak with your own tax or legal advisor.

## Excess contributions

The amount that you can contribute to an HSA each year is based on several factors. These include your level of HDHP coverage (self-only or family); how long you had the HDHP; and your age. If you contribute more to the HSA than what you can contribute for the year, you have an "excess contribution."

- If you have an excess contribution, you should withdraw that amount as well as any earnings on that amount. You have until the tax filing deadline to do this. For most people, the tax filing deadline is April 15 of the following year. You will have to pay income tax on this amount. However, you will not have to pay a tax penalty.
- If you don't withdraw the excess contribution by the tax filing deadline, you must also pay a 6% excise tax. This tax applies to the excess amount and its earned interest. You will have to pay this excise tax each year that you leave the excess in the HSA. You can use the excess toward the annual contribution limit of another year. If you do that, you will not have to pay the excise tax again.

**Note:** If you fail to meet a testing period (for the last month-rule or a rollover from an IRA), you can't treat that amount as an excess contribution. You'll still have to pay income and penalty taxes for that amount.

## COBRA

COBRA continuation applies to the HDHP offered by your employer. If your employer offers COBRA, then COBRA continuation applies to the HDHP, but your employer is not required to continue to make HSA contributions during the COBRA continuation period.

## Spending rules

### Qualified expenses

- You may use your HSA to pay for qualified medical care expenses. The medical care can be for you, your spouse, or your tax dependents. This is true even if you have a self-only HDHP.
- You can use your HSA funds when you have to pay for eligible expenses out-of-pocket. This includes what you pay for deductibles, co-insurance, and copays.
- You can also use your HSA funds to pay for some insurance premiums.
  - › Long-term care (LTC) insurance<sup>4</sup>
  - › COBRA health care continuation
  - › Health care coverage while receiving unemployment benefits
- You can use your HSA funds for Medicare premiums and other health insurance if age 65 and older, not including Medicare supplement
- You can use your HSA for expenses incurred on or after the effective date of the HSA.

You can find more information in IRS Publications 969 and 502. You can find them at **IRS.gov**. You can also go to Table C for a sample list of qualified medical expenses and Table D for a sample list of non-qualified medical expenses. These two tables are at the end of this guide. Please note that Publication 502 contains guidance on what medical expenses are deductible on an individual's federal income tax form based on Internal Revenue Code Section 213(d), but that some expenses such as insurance premiums, which would be deductible under IRC 213(d), can't be reimbursed from an HSA.

### Non-qualified medical expenses

You can use your HSA funds for a non-qualified medical expense; however, you will have to pay income taxes on that amount. You may also have to pay a 20% tax penalty.

If you are age 65 or older or disabled at the time you use your HSA funds for a non-qualified medical expense, you will not have to pay the 20% penalty. You would still have to pay income taxes on this amount.

### Mistaken distribution

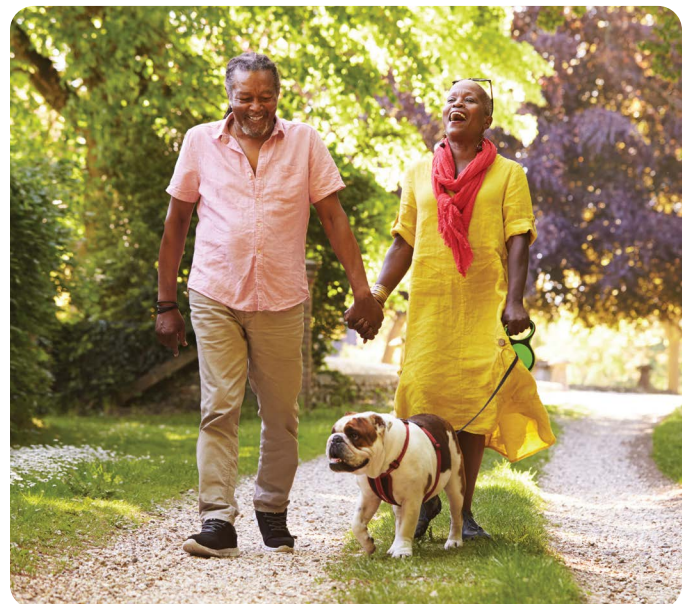
If you used HSA funds for a non-qualified medical expense, you can return the money to your HSA. You would have to do this before the tax filing deadline for the year in which you knew, or should have known, that the withdrawal was a mistake. If you return the money before the deadline, you will not have to pay a penalty for this.

### Record-keeping

You should keep all your receipts showing how you used your HSA funds. There are two key reasons to do this. One is to show that you used your funds for qualified medical expenses. The other is in case you are audited by the IRS.

### Beneficiaries of the HSA

You should choose a beneficiary when you set up your HSA. If the named beneficiary is your spouse, an HSA will be created in their name, all investments, if any, will be liquidated into cash and then the entire fund balance will be transferred directly to the new HSA. If you name someone other than your spouse as the designated beneficiary, then upon your death the account will no longer be considered an HSA, and the fair market value of the HSA becomes taxable to the designated beneficiary in the year in which you die. If there is no designated beneficiary, the HSA will become an asset of your estate and the fair market value will be included on your final income tax return.



<sup>4</sup> The premiums for long-term care insurance that you can treat as qualified medical expenses are subject to limits based on age and are adjusted annually.



## Tax rules

Tax reporting is required for an HSA. We'll report your contributions to and distributions from your HSA to the IRS. We will also report them to you. You must use IRS Form 8889 to report your HSA activity. You must file this form with your Form 1040.

WHO	WHAT	WHEN	WHY
HSA accountholder	<p>Completes Form 8889 with your income tax return.</p> <p>If you have any excess contributions, use Form 5329.</p>	Prior to the annual tax filing deadline.	<p>To show contributions to and distributions from your HSA.</p> <p>Only needed if you have excess contributions that you have not withdrawn.</p>
Employer	<p>Sends Form W-2 that includes HSA contribution information.</p> <p>HSA contributions made through a cafeteria plan are included in Box 12 using a code of "W."</p>	In January (for the prior tax year).	<p>To report HSA contributions made through a cafeteria plan.</p> <p><b>Note:</b> Some employers don't offer pretax contributions.</p>
Custodian	<p>Sends Form 1099-SA to you.</p> <p>Sends Form 5498-SA to you.</p> <p>We also send copies to the IRS.</p>	In January for Form 1099-SA and in May for Form 5498 SA.	<p>Reports annual distribution information for use in tax preparation and filing</p> <p><b>Note:</b> Many custodians send Form 5498-SA at the end of May. This will include HSA contributions made through the tax filing deadline.</p>



### Tax reporting — employer

- If you contribute pretax from your pay, your employer will report these on your W-2. Your amount for the year will be in Box 12. They will use a code of "W." **Note:** The IRS defines your pretax contributions as employer contributions.
- Your employer may contribute to your HSA. If so, they will also report this amount on your W-2. Your employer will combine this amount with your contributions. The full amount will be in Box 12. **Note:** This does not include any post-tax contributions you make on your own to your HSA.

### Tax reporting — custodian

- Inspira is the custodian of the HSA you have with your employer. We must report all contributions to your HSA. We will report them on Form 5498-SA. This form also includes the Fair Market Value (FMV) of your HSA. The FMV will be as of Dec. 31 of that year. We have until May 31 of the next year to mail this form to you. This form will include contributions through the tax filing deadline. You can contribute to your HSA up until the tax filing deadline. For most people, this is April 15 of the following year.
  - › We will also report any excess contributions on Form 5498-SA. This is true even if we returned the funds to you.
- We must also report distributions from your HSA. We will report these distributions on Form 1099-SA. We must mail this form by Jan. 31 to you. It will include distributions through Dec. 31 of the previous year. Distributions include:
  - › Withdrawals
  - › Debit card purchases
  - › Check payments to providers
  - › Bill payment transactions
  - › Return of excess contributions

### Tax reporting — account owner

- You must report your HSA activity on Form 8889. This includes contributions to and withdrawals from the HSA. You must include this form as part of your federal income tax return (Form 1040).
- If you have to report excess contributions, you must do so on Form 5329. You only have to report them if you left them in the HSA. If you did not have any or you removed them, you do not have to file this form.
- You can get Forms 8889 and 5329 as well as instructions for the forms on the IRS website, **IRS.gov**. You may also call the IRS at **800-TAX-FORM** or visit an IRS office in person.

### Contributions

- If you have an excess contribution you should remove it from the HSA. If you do this in a timely manner, you will have to report that excess amount plus any interest on Form 1040; however, you will not owe any excise taxes on the amount of the excess contribution. You will report it as "Other Income."
- If you do not remove the excess, then you must report it. You will do this on Form 8889. You will then report that amount on Form 5329. You will also have to calculate and pay an excise tax on this amount.

### Trustee-to-trustee transfers

You do not have to report a trustee-to-trustee transfer. With a trustee-to-trustee transfer, the funds pass directly from one custodian to the other. If you accept a payout from an HSA and then direct the funds to another custodian, that is not a trustee-to-trustee transfer. That is a rollover.

### Rollover

You can do one rollover per year. You must complete this within 60 days of withdrawing the funds.

### State taxes

Most states follow the federal tax law for pretax contributions to your HSA. This means that if you contribute pretax to an HSA you will not pay federal and state income taxes on those amounts. However, some states do not allow this. For those states, you would still have to pay state income taxes on your HSA salary contributions. Please consult with your tax advisor or your state department of revenue to determine how state taxes may impact your HSA.



Table A

ALLOWABLE HSA INVESTMENTS

Bank accounts
Annuities
Certificates of deposit
Stocks
Bonds
Mutual funds

**Note:** An HSA custodian or trustee may limit or restrict certain types of investments.

DISALLOWABLE HSA INVESTMENTS

<b>Collectables:</b> including any work of art, antique, metal, gem, stamp, coin, alcoholic beverage, or other personal property as described in Section 408(m)(3) of the Internal Revenue Code
Life insurance contracts



Table B

Allowable expenditures on long-term care insurance

To use HSA funds for long-term care (LTC), your LTC insurance contract must meet the following requirements.

1. Be guaranteed renewable
2. Not provide for cash surrender value or other money that can be paid, assigned, pledged, or borrowed
3. Provide that refunds, other than refunds on the death of the insured or complete surrender or cancellation of the contract, and dividends under the contract, must be used only to reduce future premiums or increase future benefits
4. Generally, may not pay or reimburse expenses incurred for services or items that would be reimbursed under Medicare, except where Medicare is a secondary payer, or the contract makes per diem or other periodic payments without regard to expenses

There is a limit to how much of your HSA funds you can use to pay for LTC premiums. These amounts may change each year for inflation. The amounts issued by the IRS are below.

ALLOWABLE LONG-TERM CARE PREMIUM AMOUNTS

AGE	2025
40 or under	Up to \$480
41 to 50	Up to \$900
51 to 60	Up to \$1,800
61 to 70	Up to \$4,810
71 or over	Up to \$6,020

Source: IRS Revenue Procedure: 2021-45

## Table C

You use the HSA funds to pay for qualified medical expenses. You're responsible for determining if you're paying for qualified medical expenses. Qualified medical expenses are the costs of diagnosis, cure, mitigation, treatment, or prevention of disease, and the cost for treatments affecting any part or function of the body. It is not for general health. See IRS Publications 969 and 502 for more information.

### SAMPLE LIST OF HSA QUALIFIED MEDICAL EXPENSES FROM YOUR HSA

Acupuncture	Alcoholism treatment	Ambulance	Artificial limb
Artificial teeth	Bandages	Gynecologist	Medicare deductibles
Car, special hand controls (for disability)	Certain capital expenses (for the disabled)	Cosmetic surgery (if due to trauma or disease)	Christian Science practitioners
COBRA premiums	Contact lenses	Chiropractors	Crutches
Dental treatment	Dermatologist	Diagnostic devices	Fertility enhancement
Guide dog	Drugs (prescription)	Eyeglasses	Hospital services
Drug addiction treatment (inpatient)	Birth control pills (by prescription)	Health institute (if prescribed by physician)	Disabled dependent care expenses
Hearing aids	Home care	Insulin	Laboratory fees
LASIK surgery	Lead-based paint removal	Learning disability fees (prescription)	Legal fees (if for mental illness)
Personal care services (for chronically ill)	Lodging (for out-patient treatment)	Long-term care (medical expenses)	Long-term care insurance (up to allowable limits)
Meals (associated with receiving treatments)	Medical conferences (for ill spouse/dependent)	Medicare premiums (except medicare supplement)	Breast reconstruction surgery (mastectomy)
Nursing care	Orthopedist	Obstetrician	Nursing homes
Operations-surgical	Operating room costs	Optician	Ophthalmologist
Osteopath	Optometrist	Orthopedic shoes	Orthodontia
Organ transplant (including donor's expenses)	Intellectual disability (specialized homes)	Over-the-counter medicines or drugs	Out-of-pocket expenses while enrolled in medicare
Pediatrician	Oxygen and equipment	Podiatrist	Life-care fees
Prenatal care	Post-nasal treatments	Prosthesis	Prescription medicines
Psychiatric care	PSA test	Psychoanalysis	Psychiatrist
Special education for children (ill or disabled)	Transportation expenses for health care	Telephones and television for hearing impaired <sup>5</sup>	Qualified long-term care services
Psychologist	Smoking cessation programs	Spinal tests	Specialists
Sterilization	Splints	Radium treatment	Surgery
Therapy	Psychoanalyst	Transplant	Vaccines
Vitamins (if prescribed)	Weight loss programs	Wheelchair	Wig (hair loss from disease)
X-rays			

**Note:** This isn't a complete list

<sup>5</sup>Only the cost above regular equipment is an eligible expense.



Table D

SAMPLE LIST OF NON-QUALIFIED MEDICAL EXPENSES FROM YOUR HSA

Advance payment for future medical expenses	Athletic club membership
Boarding school fees	Babysitting (for healthy children)
Commuting expenses for the disabled	Bottled water
Cosmetics and hygiene products	Controlled substances
Diaper service	Dancing lessons
Electrolysis or hair removal	Domestic help
Hair transplant	Funeral expenses
Household help	Health programs at resorts, health clubs, and gyms
Illegal operations and treatments	Illegally procured drugs
Maternity clothes	Medigap premiums
Nutritional supplements	Premiums for life or disability insurance
Premiums for accident insurance	Premiums for your HSA-qualified health plan
Scientology counseling	Social activities
Special foods/beverages	Swimming lessons
Teeth whitening	Travel for general health improvement

**Note:** This isn’t a complete list





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