MetLife | Health Savings Account (HSA)

Kansas Department of Administration State Employee Health Plan

Have Your Paycheck Work Harder for You With a Health Savings Account

Enjoy tax-advantaged savings.

You are eligible to open and/or contribute to an HSA[1] when you are currently enrolled in a High Deductible Health Plan (HDHP).[2]

Having an HSA can help you save on healthcare expenses by letting you use pre-tax dollars to pay out-of-pocket expenses for yourself, your spouse and dependents. An HSA also grows your money by paying interest on your contributions and allowing you to invest in mutual funds or other investments. And all earnings grow tax-free.

Who is eligible to open/contribute to an HSA and are there any restrictions?

In order to open and/or contribute to an HSA, you must currently be enrolled in a HDHP. You can contribute to an HSA if:

- You are not covered under any other health plan that is not a qualified HDHP, including a general-purpose healthcare Flexible Spending Account (FSA) or Health Reimbursement Account (HRA), or if you are not covered under TRICARE.
- You are not enrolled in Medicare or Medicaid.
- You cannot be claimed as a dependent on another person's tax return.
- You will not contribute to another HSA such that your total contributions across your HSA account(s) would cause you to exceed the IRS maximum contribution limits.

Other restrictions may apply.

What are "pre-tax dollars?"

Pre-tax dollars are funds from your paycheck that are contributed to your HSA before taxes have been taken out. Since you're not paying taxes on money you contribute, you end up with more money to use for qualified expenses.

What investment options will be available to me?

You will have a range of robust investment options which will include access to a standard set of mutual funds and may include access to a self-directed brokerage account via Charles Schwab.[3]

How does an HSA work?

Contributions are automatically transferred from your paycheck to your HSA. Your money starts to earn interest immediately and — if your balance reaches $100 — you will have the option of investing in mutual funds or other investment vehicles.

How much can I contribute to an HSA?

Contribution maximums for 2025 are $4,300 for individuals and $8,550 for families, plus a catch-up contribution up to $1,000 for account holders 55 years of age and over.[4] Your contribution should be determined by how much you anticipate in out-of-pocket healthcare expenses for this and future years and how much you can afford to have deducted from your paycheck. You may also want to consider contributions for longer-term needs when deciding on the amount of your deduction.

What can I use the money for?

You can use HSA funds for a range of out-of-pocket expenses without incurring any taxes or penalties. These include copays, coinsurance and deductibles, office visits, hospital bills, prescriptions and OTC medications and supplies, qualified dental and vision care, diagnostic items such as diabetic testing supplies, and more.[5]

HSA funds used for non-qualified expenses are taxed and subject to a 20% penalty if you are less than 65 years of age. Beginning at age 65, HSA funds for non-qualified expenses are taxed, but do not incur any penalty.

Save up to 30% on qualified expenses using your pre-tax dollars.[6]

How do I access my money?

There are three ways to pay for expenses:

- Use a smart debit card which is connected to your account.
- Pay providers directly through the HSA online portal
- Submit receipts for reimbursement

How can I keep track of my account?

You'll have 24/7 online access to account information through the online portal and mobile app. You'll be able to view details on contributions, balance, spending and interest income. Plus, if you opt to invest your funds, you'll be able to track results. You can download the MetLife HS&SA app for your device from the Apple App Store or Google Play and log in using the password you use to access the online portal.

Do I have to invest my funds or can I choose to just earn interest?

You don't have to invest. When your balance reaches $100, you'll have the option of investing. But you are not required to do so. You can continue to earn higher than average interest rates[7] that help employees make the most of their savings.

What happens if I don't use all my account funds during the year?

Unused funds simply remain in your HSA and can be used year to year on qualified expenses without penalty.

What happens if I change jobs, lose my job or retire?

You will always retain your unused funds regardless of your employment status. If you change jobs or lose your job and are still enrolled in a High Deductible Health Plan (HDHP), you can retain your HSA or roll the funds into a new HSA (if offered by your new employer) and continue to make contributions. If you are no longer enrolled in an HDHP, you can retain your HSA and access the funds, but can't make additional contributions to your account. If you retire and are enrolled in Medicare, you can retain your HSA and access your funds, but can't make additional contributions to your account.

You'll earn higher than average interest rates[7] that help employees make the most of their savings.

Questions?
Call MetLife Customer Service.
1 800 GET-MET8 (1 800 438-6388)

[1] An HSA is an account owned by the employee. Unlike FSAs, HRAs and Commuter Benefits, the employer does not sponsor the HSA. The employer does, however, sponsor a high deductible health plan and allow employees to make pre-tax salary reduction contributions to the HSA.

[2] You can contribute to an HSA if: (1) you are not covered under any other health plan that is not a qualified HDHP, including a general-purpose healthcare Flexible Spending Account (FSA) or Health Reimbursement Account (HRA), or if you are not covered under TRICARE; (2) you are not enrolled in Medicare or Medicaid and (3) you cannot be claimed as a dependent on another person's tax return.

[3] It is the employee who determines whether to invest funds, and the employee selects those investments from the platform made available through MetLife.

[4] Contribution limits are subject to change and should be checked on an annual basis on the IRS website. Limitations apply.

[5] See IRS publication 502 available at http://www.irs.gov/pub/irs-pdf/p502.pdf for a list of qualified expenses. In addition, there may be legislation or additional publications that may modify or expand available qualified expenses. Employees should refer to their employer's plan document(s) for the latest list of qualified expenses under their plan.

[6] Savings are based on estimated federal, state and local tax rate of 30%. The amount participants can save in taxes will vary depending on various factors, such as the amount they set aside in the accounts, their annual earnings, whether or not they pay Social Security taxes, the deductions they claim on their tax returns, their tax brackets and their state and local tax regulations. Participants should check with their own tax advisors for information on how their participation will affect their tax savings.

[7] MetLife Internal Analysis (last updated October 2023). Cash savings balances in an HSA earn interest through a funding agreement issued to the custodian bank, are not FDIC insured, and are subject to the financial strength and claims paying ability of Metropolitan Tower Life Insurance Company. The interest rate earned on the assets allocated to the funding agreement option are declared to the custodian and are guaranteed for at least 12 months from the date the interest rate is declared. There may be different interest rates applicable to different allocations depending upon when the allocation was made to the funding agreement option. The funding agreement option provides the investor with a stable rate of return over time. Metropolitan Tower Life Insurance Company may earn a spread from assets allocated to the funding agreement option available under HSAs.

Like most group benefit programs, benefit programs offered by MetLife and its affiliates contain certain exclusions, exceptions, waiting periods, reductions of benefits, limitations and terms for keeping them in force. Nothing in these materials is intended to be, nor should be construed as, advice or a recommendation for a particular situation or individual. Participants should consult with their own advisors for such advice. Federal and state laws and regulations are subject to change.

MetLife

MetLife Consumer Services | 200 Park Avenue | New York, NY 10166