

Health Savings Accounts

Rodger Bayne, Chairman/CEO
Client First Brokerage Services, Inc.

Health Savings Accounts, commonly referred to as HSAs, are tax favored accounts established to pay for medical care, including dental and vision, and allow an individual to build up savings to pay for future medical expenses. Individuals covered by a qualified high deductible health plan are eligible to establish an HSA of their own. Coverage under a High Deductible Health Plan (HDHP) is required in order to be eligible to establish and contribute to a Health Savings Account, but once the account is established withdrawals for medical expenses are tax free.

There are several benefits to an HSA. By purchasing a qualified HDHP, one can save a tremendous amount of premium compared to a more traditional style of health plan or HMO. The savings from purchasing an HDHP is often enough to offset or justify the higher deductible on the health plan. This leaves you with a win-win situation. If you have medical expenses, you have likely saved enough premium dollars to pay for them. If you don't have significant medical expenses, you get to keep all of the premium savings! And if you have catastrophic medical expenses the HDHP will take over for you when your deductible is met.

Quick Facts

For More Information on
HSAs and their benefits, visit
www.clientfirstbank.com!

THE ADVANTAGES OF A HEALTH SAVINGS ACCOUNT INCLUDE:

Security	combined with a high-deductible health plan, an HSA protects against unexpected or high medical bills.
Affordability	lower premiums with an HDHP, combined with an HSA are more affordable for the insured.
Flexibility	you can use money for things insurance doesn't cover, such as over the counter medications, or you can save the money for the future.
Savings	you are able to save for future medical expenses, the funds in your account will accumulate from year to year.
Tax Benefits	reduce taxable income with the amount deposited into a health savings account. The savings account can always be used for qualified medical expenses on a tax-free basis. The savings account can be used after age 65 as additional retirement funds, or retained for future medical expenses.

While this type of buying strategy has always been available, the new tax advantages have vastly improved the outlook. The Medicare Modernization Act provided many changes to Medicare, but also included major revision of what used to be called "Medical Savings Accounts" (MSAs). This switch from MSAs to the new phraseology of "Health Savings Accounts" (HSAs), came with considerable improvement, and reduced restrictions on the use of HSAs.

[Client First Bank](http://www.clientfirstbank.com) offers an HSA with full online account access, convenient deposit methods, a **Free** HSA Debit MasterCard® for easy account access, and FDIC insurance coverage up to \$100,000. These are just a few of the benefits of opening a Health Savings Account through [Client First Bank](http://www.clientfirstbank.com). Visit www.clientfirstbank.com for additional information.