

AE 2026

Health Care Accounts Overview

Health Savings Account (HSA)		Flexible Spending Accounts (FSA)
What is it?	<p>A Health Savings Account (HSA) is a tax-advantaged account available to individuals enrolled in a high deductible health plan (HDHP). An HSA helps you set aside money on a before-tax basis for current and future qualified health care expenses.</p> <p>An HSA is owned by you and is portable. The funds contributed into your HSA by both your employer and you are yours to keep, even if you change employers or leave the workforce. In addition, the funds rollover from year-to-year with no cap. There is no “use it or lose it” rule like with Flexible Spending Accounts (FSA) or Health Reimbursement Accounts (HRA).</p> <p>For detailed about the IRS rules around having an HSA, see IRS Publication 969.</p>	<p>Healthcare Flexible Spending Account (HCFSA): A HCFSa works with or without a Medical Plan, meaning you do not have to be enrolled in a LOL Medical Plan to participate. If you choose to waive medical or are enrolled in either the Copay Plan, you can participate in the HCFSa. It allows you to set money aside on a before-tax basis for out-of-pocket qualified health care expenses.</p> <p>Limited Purpose Flexible Spending Account (LPFSA): A LPFSA works when you are enrolled in one of the HSA Medical Plans. It allows you to set money aside on a before-tax basis for out-of-pocket dental and vision expenses only. You could use your HSA to pay dental and vision expenses, but by fully funding the HSA and funding the LPFSA to pay for this year’s dental and vision expenses, you will maximize your tax savings while preserving the HSA balance for the future.</p>
Who can enroll in this?	If you are enrolled in an HSA Medical Plan, you can contribute to the HSA.	<p>HCFSa: Anyone who waives medical coverage or enrolled in the Copay.</p> <p>LPFSA: Anyone who is also enrolled in an HSA Medical Plan.</p>
How do contributions work?	<p>For 2026, the IRS limits are:</p> <ul style="list-style-type: none"> • \$4,400 for employee only coverage • \$8,750 for family coverage • Additional \$1,000 for catch-up contributions if the employee is age 55 or older as of December 31, 2026. <p>The LOL contributions count towards that amount, so you can decide how much up to those limits to contribute.</p> <p>The Company contribution will be made at the beginning of the plan year (processed with the first paycheck in January) for all current employees who enrolled during Annual Enrollment. Contributions for new employees hired during the year will be</p>	Your contributions will be made via pre-tax payroll deductions based on your Annual Enrollment elections. You may not change your contribution amounts during the year.

	<p>prorated depending on their start date and will be contributed the first of the month they are eligible and/or have completed enrollment.</p> <p>If you choose to contribute to the HSA, your contributions will be made via pre-tax payroll deductions. You can start, stop or change your contribution amount at any time throughout the year at YBR.</p>	
How much can I roll over into 2027?	Unlimited	\$660 into 2027
Who administers this? How do I access it?	Fidelity Investments	Fidelity Investments
How do I use the account?	<p>You will have several ways to access the money in your HSA:</p> <ol style="list-style-type: none"> HSA debit card: Use at point of purchase or to make bill payments online. HSA Online Reimbursement: If you use another form of payment, such as a personal credit card, to pay for qualified expenses, you can easily reimburse yourself through Fidelity either online or using the mobile app. HSA Online Pay Provider: You can pay a provider directly from your HSA. You will be required to enter specific information to ensure that those funds get to your provider and appropriately credited to your account balance at your provider. 	<p>You will have several convenient ways to access the money in your FSA:</p> <ol style="list-style-type: none"> FSA debit card: Use at point of purchase or to make bill payments online. FSA Online Reimbursement: If you use another form of payment, such as a personal credit card, to pay for qualified expenses, you can easily reimburse yourself through Fidelity either online or using the mobile app. FSA Online Pay Provider: You can pay a provider directly from your FSA. You will be required to enter specific information to ensure that those funds get to your provider and appropriately credited to your account balance at your provider.
What expenses are considered “qualified medical expenses”?	<p>For details about HSA qualified health care expenses, see IRS Publication 502.</p> <p>Some examples include:</p> <ul style="list-style-type: none"> • Medical plan deductibles and coinsurance • Prescription drug costs • Dental treatments, exams, or cleaning costs • Vision expenses, such as contact lenses or glasses • Over the counter (OTC) medications and menstrual care products 	<p>HCFSA: Fidelity has a list of eligible expenses you can use to learn about eligible expenses.</p> <p>LPFSA: Any dental or vision-related expenses.</p>

	<p>Qualified medical expenses do not include insurance premiums other than premiums for certain long-term care insurance or COBRA continuation coverage. A full list of qualified expenses is available at https://www.irs.gov/pub/irs-pdf/p502.pdf.</p> <p>Distributions used for any purpose other than those outlined by the IRS will be considered taxable income by the IRS and also subject to an additional 20 percent penalty.</p>	
Does the account earn interest?	Yes. Interest is credited at the end of each month and is compounded monthly. You can also invest your HSA contributions by logging into Fidelity.	No.
Do I have to submit receipts?	No, you don't submit receipts with an HSA, but save your receipts and Explanation of Benefits (EOBs) for your own records. The IRS may request provide proof of qualified medical expenses if you were audited. As a general rule, tax records should be kept for seven years.	In most cases, yes. Fidelity does require substantiation for eligible expenses.
What happens when I turn 65 or eligible for Medicare?	<p>At the time you become enrolled in Medicare, you can no longer make contributions to the HSA due to IRS rules. You can continue to use the funds tax-free for qualified expenses. Or, you can pay income taxes to take a distribution. The 20% penalty no longer applies, only taxation.</p> <p>More information from AARP.</p> <p>Other resources:</p> <ul style="list-style-type: none"> • https://learn.hellofurther.com/Individuals/Life_Changes/Medicare_and_HSAs • https://www.pbs.org/newshour/economy/making-sense/everything-you-want-to-know-about-medicare-rules-on-health-savings-accounts <p>If you do not enroll in Medicare when you are first eligible because you are covered by a group employer plan, you will want to pay attention to enrollment deadlines with Medicare when you are no longer covered by a group employer health plan.</p>	You can contribute to an FSA as long as you are eligible to do so. The funds can be used for expenses for your tax dependents.

What happens to my account if I leave LOL?	You will continue to have access to the funds until you exhaust any remaining balance or transfer the funds into a new account.	You will continue to have access to the funds to use towards any eligible expenses during the time you were covered under a LOL Medical Plan. Be aware of filing deadlines, usually March 31 of the following year a claim is incurred.
I need more information how these accounts work.	<p>Check out this video explaining the differences between the HSA and the FSAs:</p> <ul style="list-style-type: none"> • English version • Spanish version 	