Finding HDHP Coverage
Any company that sells health insurance coverage in your state may offer HDHP policies. Although Treasury cannot recommend any specific names of companies selling these policies, you should be able to find a qualified policy by contacting your current insurance company, an agent or broker licensed to sell health insurance in your state, your state insurance department.

HSA Contributions
You can make a contribution to your HSA each year that you are eligible. For 2020, you can contribute up to $3,550* if you have Self-Only coverage and $7,100* if you have Family coverage.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Minimum HSA Deductible</th>
<th>Maximum HSA Deposit (2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Coverage</td>
<td>$1,400</td>
<td>$3,550</td>
</tr>
<tr>
<td>Family Coverage</td>
<td>$2,800</td>
<td>$7,100</td>
</tr>
</tbody>
</table>

Individuals age 55 and older can also make additional “catch-up” contributions. The maximum annual catch-up contribution is as follows:

- $1,000 for 2009 and years thereafter

Determining Your Contribution
Effective January 1, 2007, the Tax Relief and Health Care Act of 2006 allows individuals who become eligible after the beginning of the year to make the maximum annual contribution ($3,550* for Single coverage or $7,000* for Family coverage).

To be eligible for a full-year contribution, however, you must remain HSA-eligible throughout the “testing period,” which runs from the first day of the last month of the initial eligibility year through the end of the 12-month period following that month. If you fail to maintain eligibility for the entire testing period, you must prorate the contribution limit for the number of months you were eligible.

In general, the deductible must apply to all medical expenses (including prescriptions) covered by the plan. However, plans can pay for “preventive care” services on a first-dollar basis (with or without a co-pay). “Preventive care” can include routine pre-natal and well-child care, child and adult immunizations, annual physicals, mammograms, pap smears, etc.

Adventages of HSAs
Security – Your high deductible insurance and HSA protect you against high or unexpected medical bills.
Affordability – You should be able to lower your health insurance premiums by switching to health insurance coverage with a higher deductible.
Flexibility – You can use the funds in your account to pay for current medical expenses, including expenses that your insurance may not cover, or save the money in your account for future needs, such as:
- Health insurance or medical expenses if unemployed.
- Medical expenses after retirement (before Medicare).
- Out-of-pocket expenses when covered by Medicare.
- Long-term care expenses and insurance.

Savings – You can save the money in your account for future medical expenses and grow your account through investment earnings.

Control – You make all the decisions about:
- How much money to put into the account.
- Whether to save the account for future expenses or pay current medical expenses.
- Which medical expenses to pay from the account.
- Which company will hold the account.
- Whether to invest any of the money in the account.
- Which investments to make.

Portability – Accounts are completely portable, meaning you can keep your HSA even if you:
- Change jobs.
- Change your medical coverage.
- Become unemployed.
- Move to another state.
- Change your marital status.

Ownership – Funds remain in the account from year to year, just like an IRA. There are no “use it or lose it” rules for HSAs.

Tax Savings – An HSA provides you triple tax savings:
- (1) tax deductions when you contribute to your account;
- (2) tax-free earnings through investment; and,
- (3) tax-free withdrawals for qualified medical expenses.

Annual limits:
- $1,400* Self-Only coverage
- $2,800* Family coverage

In addition, annual out-of-pocket expenses under the plan (including deductibles, co-pays, and co-insurance) cannot exceed:
- $6,900* Self-Only coverage
- $13,800* Family coverage

In general, the deductible must apply to all medical expenses (including prescriptions) covered by the plan. However, plans can pay for “preventive care” services on a first-dollar basis (with or without a co-pay). “Preventive care” can include routine pre-natal and well-child care, child and adult immunizations, annual physicals, mammograms, pap smears, etc.