Health Savings Account (HSA) FAQs

HSA Basics

Q: What is an HSA?

A: An HSA is a special bank account for your eligible healthcare costs. You can put money into your HSA through pre-tax payroll deduction, deposits or transfers. As the amount grows over time, you can continue to save it or spend it on eligible expenses. The money in the HSA belongs to you and is yours to keep, even if you switch jobs. The funds roll over from year to year and can earn interest. You can only contribute to an HSA if you are enrolled in a high-deductible health plan, like the Albertsons Companies HSA Plan or Kaiser CA HSA Plan.

Q: How does the HSA work?

A: It's just like a bank account, but for eligible medical expenses. Here's how it works:

1. You put money in your HSA through weekly paycheck deductions, deposit or transfer.

2. When you have an eligible expense, you can withdraw money from your HSA to pay for it. Like other bank accounts, you can make withdrawals with a debit card or check specific to the HSA.

3. You can use the money in you HSA to pay for care until you reach your deductible, or for coinsurance after you reach it. Or pay for other eligible expenses not covered by your HDHP, like dental or vision care. Or, you can save the money and use it to pay for future health expenses, such as in retirement.

Q: Are HSAs and HDHPs the same thing?

A: No. The term HSA is sometimes used to describe the whole plan, but there are actually two parts. An HSA is a savings account through a financial institution. It lets you save money and pay for eligible health care expenses. An HDHP is a high-deductible health insurance plan. Enrollment in the HDHP is what allows you to open an HSA.

Q: Do I need to have health insurance to have an HSA?

A: Yes. To be eligible to open and contribute to an HSA, you need to be enrolled in a qualified high-deductible health plan (HDHP)—one with a minimum annual deductible of $1,350 for self-only coverage or $2,700 for family coverage.

Q: Who owns the HSA?

A: You do. The money is always yours to keep and never expires, even if you leave the company or retire. If you enroll in Medicare or work for another employer that doesn't have a qualified HDHP, you can still use your HSA money to pay for qualified medical expenses, but won't be able to contribute to your HSA.

Q: How much money can I contribute to my HSA each year?

A: In 2025, the annual maximum contribution set by the IRS for an individual account is $4,300 and the maximum contribution for family coverage is $8,550. People over the age of 55 can make an additional 'catch-up' contribution of $1,000 each year. These limits are the same regardless of the source of the contribution.

Q: Does the money in my HSA earn interest?

A: Yes. Best of all, the interest you earn on your HSA balance is tax-free!

Q: Can I invest the money in my HSA?

A: Yes. There's no minimum required to start investing, though certain funds may require a minimum amount. Sign in to your Fidelity HSA account at www.netbenefits.com to select your investment elections. You can also talk to a Fidelity representative who can review your investment options, including stocks, bonds, treasury notes, short term investments and mutual funds.

If you need access to money you've invested, you can sell those shares and convert those funds back into cash. There will be a slight delay before you have access to money you invested. You can contact a Fidelity HSA representative for more information on the process.

Q: Can I roll money from my IRA into my HSA?

A: Yes. You can make a once-in-a-lifetime rollover from your IRA into your HSA. You can't, however, roll money into your IRA from your HSA. Note that an IRA rollover will count toward your annual contribution amounts.

HSA Eligibility

Q: Who is eligible for an HSA?

A: To be eligible for an HSA, you must:

- Be covered under a high-deductible health plan (HDHP).
- Not be covered under an ineligible plan like a non-HDHP, Medicare or a healthcare flexible spending account (FSA), even under your spouse's plan.
- Not be claimed as a dependent on someone else's tax return.

Q: I'm retired. Can I still contribute to my HSA?

A: Yes, as long as you are covered by a qualified HDHP and are not enrolled in Medicare. You can be eligible for Medicare and still contribute to an HSA as long as you are covered by an HDHP and not **enrolled** in Medicare.

Q: If my spouse is on Medicare, can I contribute to an HSA?

A: Yes. As long as you're not enrolled in Medicare yourself and are still enrolled in a qualified HDHP, you can contribute to your HSA.

Q: Can both spouses in a family contribute to an HSA?

A: Yes, as long as both people are covered by an HDHP and not enrolled in an ineligible plan (non-HDHP medical plan, Medicare or a general-purpose FSA). However, the combined contributions to both HSAs can't be more than the annual family limit.

Q: My domestic partner is covered on my medical plan. Can I use my HSA for my domestic partner's medical expenses?

A: If your domestic partner meets the IRS qualifications of a tax dependent, you can legally use your HSA funds for their medical expenses.

Q: I am a parent enrolled in the HSA Plan, but I didn't cover my children under this medical plan. Can I still use the money in my HSA to pay for my children's medical expenses, co-pays, and deductibles?

A: Yes. The money in your HSA can be used to pay for qualified medical expenses of any family member who qualifies as a dependent on your tax return. However, if the dependent isn't covered under your plan, their healthcare expenses won't be applied toward your deductible.

Using Your HSA

Q: How do I open my HSA?

A: If you enroll in the HSA Plan or the Kaiser CA HSA Plan for the first time, you'll receive an email from Fidelity inviting you to open your HSA. Once you have received the email, sign in to Fidelity's website at **www.netbenefits.com** and click the **Open** tile to open your HSA. Your HSA **must** be opened before you can use it and before your paycheck deduction contributions will start.

Q: Can I access my HSA online?

A: Yes. Sign in to www.netbenefits.com to review your HSA balance, make investment elections, and more.

Q: How do I pay for expenses using my HSA?

A: There are multiple ways to use your HSA for payment or reimbursement of qualified medical expenses. Once you open your account, Fidelity mails you a health savings account debit card. Simply swipe your Fidelity health savings account debit card at your doctor's office, lab or pharmacy. And if your medical provider doesn't accept the card or sends you a bill, you can log on to www.netbenefits.com to pay the provider directly from your account using Fidelity BillPay®. You can also request checks linked to your HSA.

Q: Do I need to give Fidelity receipts for my HSA claims?

A: No. Fidelity doesn't ask for proof of your health savings account claims. However, keep all your receipts in case you're audited by the IRS. The Fidelity Health app helps you manage your expenses, payments, and claims all in one place, on most devices – smartphone, tablet, etc.

Q: Who can put money into my HSA?

A: Anyone can contribute to your HSA.

Q: What can I pay for with my HSA?

A: Your HSA dollars can be used to pay any qualified medical expenses, including your plan deductibles, co-insurance and co-pays.

Q: What is a qualified medical expense?

A: Qualified medical expenses are the medical, dental and vision expenses defined in IRS Publication 502 (https://www.irs.gov/publications/p502).

Q: Can I take the money out of my HSA any time I want?

A: Yes. You can withdraw money tax and penalty-free if used for qualified medical expenses. If you take money out for other purposes, however, you'll have to pay income taxes on the withdrawal plus a penalty. After age 65, you can use HSA funds for other purposes without penalty. You'll just need to pay income taxes on the withdrawal amount. Funds withdrawn for qualified medical expenses will remain tax-free.

Q: Can I use my HSA for expenses incurred prior to the opening of my HSA?

A: No. You can only use the HSA funds to pay for eligible health care expenses incurred after the date your HSA was established.

Q: Can I use the money in my HSA for non-medical expenses?

A: If you are under 65, you'll be taxed on the money you use **and** assessed a penalty. After age 65, if you withdraw funds for any purpose other than qualified medical expenses, you will be subject to income taxes, but there is no penalty. Funds withdrawn for qualified medical expenses will remain tax-free.

Q: Can I use the money in my HSA to pay for my health plan premiums?

A: You can't use your HSA to pay for your Albertsons Companies benefits premiums, but there are some situations that allow you to use your HSA to pay for health plan premiums. You can use your HSA to pay premiums for:

- COBRA continuation coverage
- Health coverage while getting unemployment compensation
- Qualified long-term care
- Medicare and other health insurance if you are 65 or older, not including Medicare supplement insurance

Q: Can I use my HSA to pay for voluntary cosmetic surgery?

A: Your HSA can be used for cosmetic surgery if prescribed by a physician and deemed to be medically necessary.

HSAs and FSAs

Q: What is the difference between an HSA and an FSA?

A: The names sound alike, but don't confuse the two. When you enroll in a high-deductible medical plan, you can use an HSA to pay for eligible health care expenses with tax-free money. If you elect a different medical plan or no medical coverage, you can use a health care flexible spending account (FSA), which also allows you to pay for eligible health care expenses with tax-free money. While both offer valuable tax-saving opportunities, they are very different. With an HSA, you can use the money for health care expenses now or in the future. It's like having a 401(k) plan for medical expenses that gives you a chance to save, invest and grow your money. With an FSA, whatever money you don't use by the end of the year, you lose. Another important difference is that your full health care FSA contribution amount is available to you up front. However, with an HSA, the funds are not available to you until they are deposited to your account. You can't have both an HSA and a health care FSA.

Q: Can I have an HSA and a healthcare flexible spending account (FSA) at the same time?

A: No. You cannot contribute to an HSA and a healthcare FSA at the same time.

Q: If I have a healthcare FSA from a previous year with a grace period that extends into the current plan year, can I enroll in an HSA?

A: Yes. But you can't put money into your HSA until the FSA grace period is over.

Q: Can I still open an HSA if my spouse has a healthcare FSA through work?

A: You can open an HSA only if your spouse's FSA is a limited-purpose FSA for dental and vision expenses only, not a full healthcare FSA.