# Prescribing Savings

## How to **Maximize** Your Health Care Savings Arrangement

Learning to maximize your health care dollars is always a good prescription for saving. So, it's important to understand the unique features of your health care savings arrangement.

Here are some guidelines to help you understand how the three most common arrangements function and tips to stretch your health care dollars. This information can help you write a money-saving prescription when it's time to re-enroll in your health care plan.

## FSA | Flexible Spending Account

### How It Works

You set aside a portion of your paycheck in an account with your employer. Then you use this account to pay directly or be reimbursed for certain eligible, out-of-pocket medical, vision and dental expenses. For most plans, any unused dollars remaining at the end of the plan year revert back to your employer and are non-reimbursable.

### Why Use It

You immediately lower your taxable income with pre-tax dollars set aside to pay for eligible expenses.

### Maximize Your FSA

1. Because this is a use-it-or-lose-it account, carefully calculate how much of your paycheck to divert to your FSA. Look back at what you spent last year to add co-pays, deductibles and any other out-of-pocket expenses. Then look ahead to the next year to see if there will be any one-time expenses, such as an eyeglass purchase or maternity expenses.
2. Use all the money in your account by the end of your plan year with eligible expenses. Submit all reimbursement requests by the deadline to get your money back. Check with your employer regarding deadlines to incur expenses and submit receipts.
3. If your plan offers a debit card, use it to pay for qualified expenses. You'll save time by not having to fill out reimbursement forms. Remember, you are required to save your receipts for these expenditures; sometimes the plan administrator or the IRS needs them for verification.

**Learn more** about medical spending accounts at:
*Help.GuideStone.org/MedicalSpendingAccounts*

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## HSA | Health Savings Account

### How It Works

An HSA is designed specifically for individuals participating in an HSA-qualified High Deductible Health Plan (HDHP). Contributions are kept in an interest-bearing investment account that you own and manage. You use the funds to directly pay for or reimburse yourself for eligible medical expenses.

### Why Use It

Both your contributions and your employer's contributions to an HSA, and any earnings on the account, are tax-free. Withdrawals are also tax-free when used for qualified medical reimbursement. Withdrawals can be requested as the expenses are incurred or at a later date. The money in an HSA rolls over from year to year and belongs to you, meaning it is yours to take if you leave your employer.

### Maximize Your HSA

1. If possible, make the maximum contributions to your HSA. For 2025, the limits are $4,300 for individuals and $8,550 for families. When determining how much to contribute to your account, remember that any contributions made by your employer will count toward your annual limit.
2. If you are age 55 or older, plan to make catch-up contributions of $1,000, raising your limit to $5,300 for individuals and $9,550 for families. This can help you be prepared for the additional medical expenses that most people are faced with during retirement.
3. If you change employers, be sure to contact your HSA administrator.

## HRA | Health Reimbursement Arrangement

### How It Works

An HRA is generally offered to employees who have a higher-deductible, lower-cost health plan. However, it can be offered with any plan. With this arrangement, your employer agrees to reimburse you for qualified claims after you reach a certain out-of-pocket limit, which is determined by the employer.

### Why Use It

An HRA complements higher deductibles by protecting you against the greater out-of-pocket expenses associated with this type of coverage.

### Maximize Your HRA

1. You'll need to know how much you have to pay out-of-pocket and toward which expenses before your employer will offer reimbursements.
2. Submit claim paperwork for eligible expenses and include all the proper documents on time to receive your reimbursements.
3. If you plan to change jobs, be sure to request all your eligible reimbursements before leaving. Because the funds belong to your employer, they are not portable to your next job.

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