

HDHP's and HSA's: A Win-Win

Healthcare premiums continue to surpass the rate of inflation and workers' earnings. In turn, many companies are implementing HSA qualified High Deductible Health Plans (HDHP) as a lower cost alternative to traditional plans. An employer sponsored HDHP/HSA can help you share the cost of healthcare with employees in ways that benefit your employees and your business.

What's In It for My Business?

- HDHP's cost less, thus saving you money.
- Offering an HSA can help make your company's benefit package more competitive to attract and retain better employees.
- Employer contributions to an employees HSA, when run through a Section 125 Plan, are not subject to FICA, FUTA, and other withholding taxes.
- The cost of the insurance premium and any contribution to the employees' HSA are tax-deductible.
- Employees become more responsible for their healthcare purchase decisions.
- An HSA will enhances your benefits package since they are favored over other plans, such as HRA's and FSA's.
- Provides an additional savings vehicle for employees to help meet their retiree medical costs.

Employee Benefits for HSA Plans

- Individual accounts are owned and managed by the employee.
- There is no "use it or lose it" rule so all unused HSA dollars rollover from year to year.
- An HSA is portable. If the employee changes employers or retires, the HSA funds go with them.
- There's triple tax savings:
 - Employee contributions are pre-tax or tax free;
 - Distributions are tax free if used for qualified expenses;
 - Earnings, such as interest and dividends, are tax free.