

# Your HSA User's Guide

Get started



# You've enrolled in the Aetna HDHP + HSA Plan—what's next?

This guide will help you better understand your High Deductible Health Plan (HDHP) + Health Savings Account (HSA) and its advantages. From what to expect when you see your doctor and fill a prescription to how you can maximize today's benefits to setting up a health and wealth roadmap for your future, it will help you make smarter decisions for both today and the future.

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# How the HDHP with HSA works

Let's take a closer look at the Aetna HDHP + HSA Plan. The Plan provides comprehensive medical coverage and shares many of the familiar features of a PPO—but it has the added feature of an HSA. An HSA lets you use tax-free money to pay for health care expenses. It also encourages you to be a better healthcare consumer.

## HDHP with HSA Features

1	 <b>Preventive Care (100%)</b>	The plan provides preventive care, such as annual physicals and screenings, at no cost to you when you use an in-network provider	
2	 <b>Annual Deductible</b>	You pay the full cost of covered services (including prescription drugs) until you reach the deductible.	<b>HSA</b> You can contribute pre-tax funds and/or use the money Sovos contributes to your HSA to pay for healthcare expenses that are subject to the deductible, your coinsurance and other qualifying healthcare expenses not previously covered by a health plan.
3	 <b>Coinsurance</b>	Once you meet the annual deductible, you share in the cost of services by paying a portion (percentage coinsurance or a copay) for covered medical services and prescription drugs.	
4	 <b>Out-of-Pocket Maximum</b>	You pay coinsurance/copays until you hit the annual out-of-pocket maximum. Then, the plans pay 100% for covered expenses.	

## When does your deductible apply?

Whether you've visited the doctor or filled a prescription, it's important to know what you're responsible for paying and what Sovos covers. Your deductible—which you can help pay using your HSA dollars—applies to all care other than preventive care. So, if you go to the doctor for a sore throat before you meet the deductible, you pay the cost of the office visit, the strep test your doctor does, and the antibiotics your doctor prescribes. Use this chart as a guide to understand when your deductible applies.

Service Type	Deductible Applies	Deductible Does Not Apply
Personal doctor or specialist visit for preventive care (in-network only)		✓
Personal doctor or specialist visit for illness or injury	✓	
Lab charges for tests associated with preventive care visit (based on Aetna guidelines)		✓
Lab charges for tests associated with "sick" doctor visits	✓	
Outpatient services	✓	
Emergency room visits	✓	
Inpatient hospital stays	✓	
Preventive prescriptions (both retail and mail-order)*		✓
Non-preventive prescriptions	✓	

\* Affordable Care Act mandated female contraceptives and preventive medications are covered 100% in-network. Visit the [Sovos Benefits site](#) to view a list of preventive medications covered under Aetna. You can also call the Aetna member services at 1-833-359-0121 for specific information.

## Understanding your health savings account

So, you understand how the plan works—now let's optimize your health savings account. When you enroll in the Aetna HDHP + HSA Plan, Aetna will automatically set up your HSA with PayFlex. PayFlex is Aetna's HSA administrator.

PayFlex will confirm your full name, address, birth date and Social Security number. This is required under Section 326 of the USA PATRIOT Act. It's also known as the Customer Identification Process (CIP). [Learn more about the PayFlex enrollment process.](#)

Once your account has been created, you will be mailed a welcome kit and debit card. Your welcome kit will include important information about accessing your new account.



## Getting money into your health savings account (HSA)

When you first enroll in the HSA during open enrollment or as a new hire, you can elect to have contributions made to your account from your paycheck. Sovos will make a contribution to your account regardless of whether you also contribute to the account. However, one of the advantages of the HSA is the ability to save for future medical expenses. The Sovos contributions and any additional contributions you elect will be automatically deposited each pay period. You can change your HSA contribution amount at any time during the year through PayFlex.

As a reminder, you do not pay income taxes\* on any money you and Sovos put into your HSA—when it goes in or when you use it for eligible expenses (as defined by the plan or the IRS). There are two ways money goes into your account, from you and from Sovos. Here’s how it works:

Category	Employee Only	Employee and Spouse, Employee and Children, or Employee and Family
<b>Sovos contribution</b>	\$750	\$1,500
<b>Employee contribution</b>	Up to \$3,100	Up to \$6,250
<b>Maximum Total Contribution</b>	\$3,850	\$7,750
<b>Additional Catch-up Employee Contribution if age 55 or older</b>	\$1,000	\$1,000
<b>Eligibility to contribute to an HSA</b>	<ul style="list-style-type: none"> <li>• Must be enrolled in the Aetna HDHP + HSA Plan</li> <li>• Cannot be enrolled in any other medical plan that is not a High Deductible Health Plan</li> <li>• Cannot be enrolled in (or receive reimbursement from) a Health Care FSA (Limited Purpose FSA is okay)</li> <li>• Cannot have received health care from Indian Health Service (IHS) or the U.S. Department of Veterans Affairs (VA) in the prior 3 months. Dental, vision and preventive services are okay.</li> <li>• Cannot be claimed as a tax dependent on anyone’s income tax filing.</li> <li>• Cannot be covered by Medicare or TRICARE</li> </ul>	

\* Note: HSA contributions are not exempt from state income taxes in California, New Jersey and Alabama.

Be aware that it will take time for your HSA balance to grow, so if you have health care expenses early in the year that total to be more than your HSA balance, you’ll need to cover them out of your pocket, at first. You can be reimbursed later when there is enough money in your HSA account to cover costs.

# Your responsibility when you receive care

So you know how money goes into your account, but how do you use that money to pay for care and prescriptions? Whether you're getting a routine checkup, care when you're sick, or filling a prescription, you'll need to know how—and when—you pay for care.



## What happens when you visit the doctor?

1. Present your Aetna medical ID card at the time you receive care. When you see a doctor, you don't pay anything at the time of your visit.
2. After your visit, your doctor will send a bill to Aetna. You may also receive a copy of this bill for your records—but you're still not required to pay anything yet.
3. Next, you will receive an Explanation of Benefits (EOB) from Aetna showing what the plan covers and what you owe the doctor. It's important to carefully review your EOB to ensure that all services were received (e.g., preventive) and are listed and coded correctly—and match the copy of the bill you received from your doctor.
4. Check out the amount listed under "Member Responsibility" on your EOB—that's what you owe the doctor. You can use your HSA to pay your doctor if you have money in your account.

Remember:

- In-network preventive care is covered at 100%.
- For all other care, you must first meet your deductible—you can pay for any out-of-pocket costs using funds from your HSA—before your plan starts sharing the cost.

### HSA for non-tax dependents

According to the IRS, you cannot use your HSA funds to cover medical expenses for someone you cannot claim as a tax dependent (for example, a domestic partner or dependent children over the age of 24). However, your non tax dependent can set up an account of their own through a bank or credit union—and you can contribute to that account on an after-tax basis.



## What happens when you fill a prescription?

You've been prescribed medication. You have two options—retail (30-day supply) and mail-order (90-day supply)—for filling that prescription:

1. Present your Aetna medical ID card when picking up your prescription.
2. The medical plan deductible applies to all prescriptions except preventive prescriptions, so you will need to pay up front for your medications until you meet the deductible.
  - Preventive medications are covered at 100% and include female contraceptives, pre-diabetes, and tobacco cessation medications.
  - View a list of preventive medications covered under Aetna on the [Sovos Benefits site](#) or call the Aetna member services at 1-833-359-0121.
3. Once you meet the deductible the plan will begin sharing the cost for prescriptions:
  - For all non-preventive prescriptions, you will be responsible for a copay. The cost of your medication will depend on the prescription tier.
  - Note that specialty medications are covered at 30% (up to a maximum of \$250) once the deductible has been met.



# Using your HSA to pay for care

The money you and Sovos contributed to your HSA can be used to pay for any eligible medical, dental, and vision care expenses—including expenses that count toward your deductible and coinsurance.

Eligible expenses include doctor visits, hospital care, lab tests, X-rays, and prescription drugs. Generally, elective cosmetic treatments (e.g., face lift, tattoo removal, liposuction) are not eligible, unless they are deemed medically necessary. Remember to save your itemized statements, detailed receipts and any Explanation of Benefits statements for your expense records.



## **Pay with your PayFlex Card®—automatically from your HSA**

When you use your PayFlex card, your expense is automatically paid from your account.



## **Pay out of pocket—and pay yourself back**

Pay for eligible expenses with cash, a check, your debit/credit card or via Google Pay or your Apple Wallet. Then withdraw funds from your HSA to pay yourself back and have your payment deposited directly into your checking or savings account.

### **If you use your HSA money for other kinds of expenses**

You can withdraw money from your HSA for any reason. However; if you withdraw money before you reach age 65 and don't use it for eligible health expenses, the money will be treated as ordinary income subject to taxes, plus you will pay a 20% penalty (Note: If you become disabled, the 20% penalty will not apply.)

## Claiming your HSA expenses on your taxes

After the calendar year ends, your W-2 will show any contributions made by you and Sovos to your HSA account. In addition, you will receive a 1099-SA, which shows the withdrawals from your HSA. It's important to keep all of your Explanation of Benefits (EOB) forms and receipts throughout the year, in case you're audited. You'll also receive a Form 5498-SA from PayFlex. Keep this form with your tax return copies in case you're audited. Last, but most important, when completing your taxes be sure to check the box confirming funds were used for health care expenses.

## Check your HSA balance

Just go to [www.payflex.com](http://www.payflex.com) or log on to your app to check your balance. You can view your transaction history, account summary, and investment details.



# Managing your health and wealth—now and in the future

The money in your HSA is yours to use—for expenses now or in the future, even if you leave Sovos. That means if you don't use it all during the year, it will roll over—and you're building savings to pay for future eligible expenses.

## How your HSA balance can grow

Once you have a minimum balance of \$1,000 in your HSA, you can open an investment account and start investing your HSA dollars. With an investment account, you can take advantage of the following benefits:

- Access to a diversified group of mutual funds, each professionally managed by an investment adviser
- Integration with Morningstar® research data
- 401(k)-like investment capabilities with no transaction fees for trading
- The ability to move money from your investment account back to your HSA if you need those funds for health care

The PayFlex member website allows you to:

- Transfer funds to and from your HSA
- Create recurring transfers to automatically take place each week, month or quarter
- View your investment account information, like investment balances, elections and recent transactions
- Manage your investment account by exchanging your investments with other investments or rebalancing your current investments to a certain percentage

## Once you reach age 65 or if you are disabled

Once you reach age 65, or if you are disabled before age 65, you can withdraw funds from your HSA to pay for non-medical expenses, without penalty. However, any withdrawn funds used for non-medical purposes are still subject to income tax—similar to traditional 401(k)s or IRAs.

Remember however, if HSA funds are withdrawn for non-medical use before age 65, those funds are subject to income taxes plus an additional 20% tax penalty for early non-medical withdrawals.