



Health Savings Accounts (HSA)

River Valley Credit Union offers Health Savings Accounts (HSA) that come with a debit card for easy access. The River Valley Mobile Banking Apps work with HSA accounts too!

To open a Health Savings Account (HSA), you must be covered under an **HSA-eligible high deductible health plan (HDHP)**. An HDHP usually requires you to pay out-of-pocket for medical expenses incurred until your deductible is met. The IRS has annual deductible and out-of-pocket expense limits to qualify as an HSA-eligible HDHP. The rules that define an HSA-eligible HDHP can be complicated so check with your insurance provider or employer to see if your health plan is HSA-eligible.

You or your employer can make contributions to your HSA. The contributions that you make can be deducted on your taxes as long as you cannot be claimed as a dependent on another person's tax return.

When you need to take money out of your HSA, you can use your HSA debit card or stop by any of our branch offices. Simply use the money for qualified medical expenses. This generally includes most medical, dental, and vision care expenses that are incurred by you, your spouse, or any dependents.

Any HSA distributions not used for qualified medical expenses are subject to ordinary income tax and a 20% IRS penalty tax. Be sure to consult with a competent tax advisor regarding your HSA deductions and how to claim tax-free HSA distributions.