

GENERAL INFORMATION

- Funds used to pay for qualified medical expenses are always tax-free, regardless of age or HSA-compatible health plan coverage.
- Prior to age 65, funds used to pay for non-eligible medical expenses are subject to normal income tax and a 20% penalty. After age 65, HSA funds may be withdrawn for non-eligible expenses with no penalty (regular income tax will apply).
- HSA funds can be used to reimburse yourself for past medical expenses if the expense was incurred after your HSA was established.
- If you have questions regarding the eligibility of medical expenses, always contact a qualified tax advisor or the IRS.
- Insurance premiums are generally not considered eligible medical expenses. However, there are four exceptions:
 - Premiums for continuation coverage under COBRA or ERISA for the account holder, spouse, or dependents.
 - A qualified long-term care insurance contract.
 - A health plan maintained while the account holder, spouse, or dependent is receiving unemployment compensations under any Federal or State Law.
 - Premiums for those over the age of 65, including Medicare or retirement health benefit provided by a former employer.

ELIGIBLE MEDICAL EXPENSES

An eligible medical expense is an expense that pays for healthcare services, equipment, or medications as described in IRS Publication 502. In general, your HSA can be used for:

- Expenses applied to your health plan deductible.
- Dental care services.
- Vision care services.
- Prescription services.
- Certain over-the-counter medications.
- Certain medical equipment.

Revised: 10/15/24

HOW TO GET STARTED

At Lake Shore Savings Bank, our Health Savings Accounts (HSAs) are designed to fit your family's needs. We offer a competitive interest rate as well as checks or a debit card to make payments directly to your doctor or pharmacy.

- NO monthly service charge
- NO minimum balance requirements
- Receive a monthly statement or manage your account online

To apply for a Lake Shore Savings HSA or for more information, call or stop by any of our convenient branch locations:

570 Dick Road
Depew
(716) 898-2022

128 East 4th Street
Dunkirk
(716) 366-4070

5751 Transit Road
East Amherst
(716) 688-6114

30 East Main Street
Fredonia
(716) 673-9555

59 Main Street
Hamburg
(716) 646-9480

3438 Delaware Avenue
Kenmore
(716) 898-2010

1 Green Avenue
(Wegmans Plaza)
Lakewood
(716) 483-3400

3111 Union Road
Orchard Park
(716) 674-2066

4950 Main Street
Snyder
(716) 898-2101

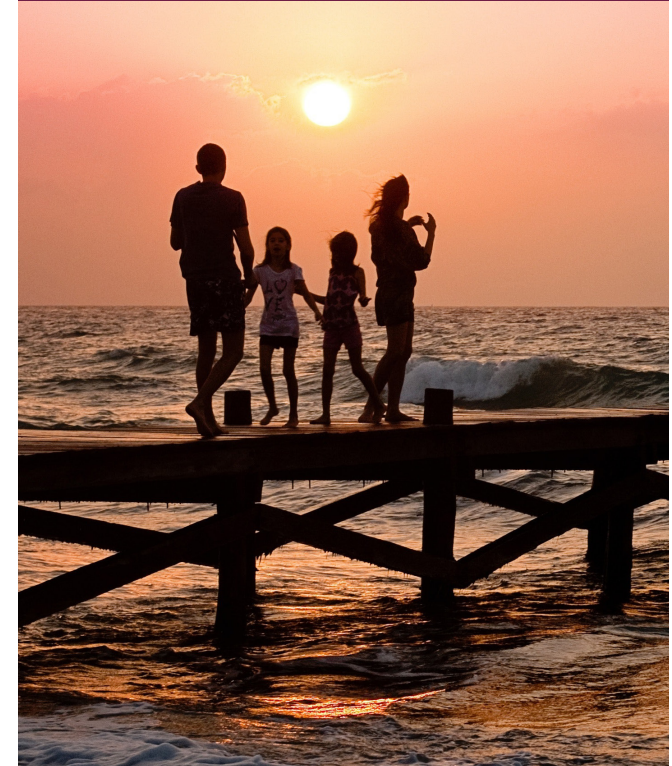
106 East Main Street
Westfield
(716) 326-4414

www.lakeshoresavings.com

Member
FDIC



HEALTH SAVINGS ACCOUNTS



Pre-tax savings to help you control the rising cost of healthcare.

LS Lake Shore Savings
Putting People First.™

HOW THE HSA WORKS FOR YOU

- Pre-tax money is deposited into an HSA. Withdrawals can be made at any time for qualified medical expenses with no penalty or taxes paid.
- Withdrawals can also be made for non-medical expenses, but are subject to normal income tax and a 20% penalty if done prior to age 65.
- Unused HSA funds remain in the account, earning tax-free interest.
- Deposits can be made by employers and employees.
- While you are covered by an HSA-compatible health insurance plan, contributions are tax deductible regardless of age, compensation, or any other factors.
- Distributions are made via debit card, cash withdrawal, Internet banking, check, or bill pay transaction.
- Like an IRA, the account belongs to you and not your employer, however unlike an IRA, employers can contribute to your HSA.

ADDING TO YOUR PEACE OF MIND

An HSA is a federally approved, tax-favored savings account used in conjunction with high-deductible HSA-compatible health insurance plans to help make healthcare more affordable and provide an opportunity for tax-deferred retirement savings.

WHO BENEFITS AND HOW

Health Savings Accounts (HSA) are designed to benefit individuals, families, employers, and employees by helping to save and pay for healthcare expenses on a tax-advantaged basis.

Funds can be contributed on a pre-tax (tax-free) or tax-deductible basis and may be withdrawn without tax consequences when paying for qualified medical expenses.

Any unused funds are carried forward from year to year with no “use it or lose it” consequences.

Used in combination with HSA-compatible healthcare insurance plans, HSAs allow consumers greater spending control over healthcare dollars and provide an opportunity to save and invest for future healthcare and retirement.

A LAKE SHORE SAVINGS HSA MAKES SENSE

HSA compatible healthcare plan + Lake Shore Savings HSA = tax savings, greater financial security, and more:

- Even if your HSA-compatible coverage ends, you can still use your HSA funds tax-free for eligible medical expenses.
- Contributions can come from employers, account holders, or third parties.
- There is no “use it or lose it” philosophy. If you don’t use it, you can save it for next year or for retirement.
- You can fund your HSA with an existing HSA, MSA, HRA, or IRA.
- You’re in control. You choose when to use your HSA or pay out-of-pocket.
- After age 65, HSA funds can be used for non-qualified expenses and only income tax is assessed.
- HSA distributions are tax-free when used to pay for qualified medical expenses.
- Earnings grow tax-deferred.

ACCOUNT FEATURES

- Interest-bearing; see rates on our website for details.
- No minimum balance requirements.
- Monthly statements generated.
- Debit card(s) issued.
- Funds distributed via debit card, ATM transaction, check, online banking and bill pay, or cash withdrawal.

DETERMINING YOUR ELIGIBILITY

Individuals are eligible for an HSA under IRC section 223 (c) (1) if he/she with respect to any month is:

- Covered under a High Deductible Health Care Plan (HDHP) on the first day of the month. Note that High Deductible Health Care Plans have a minimum annual deductible (see table below).
- Not covered by another healthcare plan that is not an HDHP.
- Not enrolled in Medicare (may be eligible for Medicare, but must not be enrolled).
- Not eligible to be claimed as a dependent on another individual’s federal income tax return.

Maximum Contribution Limits Established Under IRS Guidelines

	For 2024	For 2025
HSA Contribution Limit	Self: \$4,150 Family: \$8,300	Self: \$4,300 Family: \$8,550
HSA Catch-Up Contributions (55+)	\$1,000	\$1,000
HDHP Minimum Deductibles	Self: \$1,600 Family: \$3,200	Self: \$1,650 Family: \$3,300
HDHP Maximum Out-of-Pocket	Self: \$8,050 Family: \$16,100	Self: \$8,300 Family: \$16,600

Contributions are reported on Form 5498-SA.