



County of San Diego Open Enrollment

HSA overview

September 11, 2025



Open enrollment is your once-a-year chance to choose a health plan that meets your needs and allows you to save income tax-free. An Optum Financial® HSA helps you save on health care costs with an easy-to-use payment card and mobile app.



The smart savings account

An HSA (health savings account) helps you save for medical expenses, save on taxes, and save for retirement — all in one



Easy payments

Payment cards that can be used most anywhere and digital wallet capabilities



Easy-to-use technology

Manage your account on the go with the easy-to-use mobile app



Hands-on resources

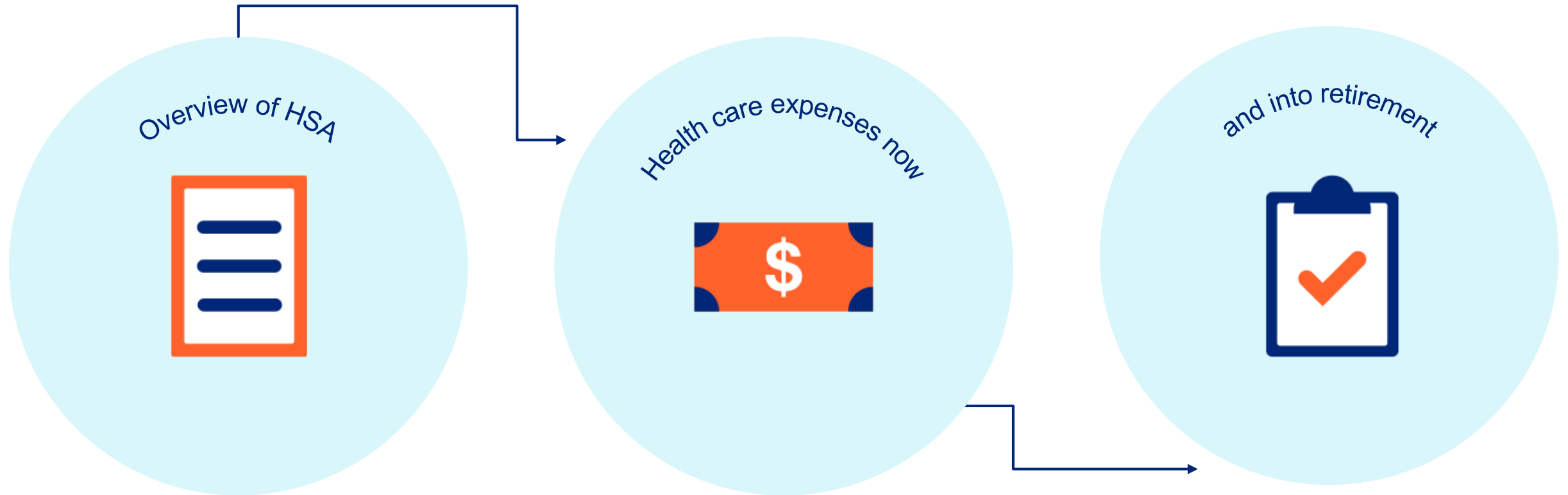
Information at your fingertips through engaging videos, courses, flyers, webinars and more

HSA

(Health savings account)



What we will be talking about today



The perks of an HSA

1. Portability
2. Ownership
3. Contribution Flexibility
4. Investment Options
5. Use of Funds



What's an HSA?

A health savings account helps you save smarter through all stages of life. It lets you use income tax-free dollars to pay for qualified medical, dental and vision expenses.

Your HSA dollars are yours to keep. Balances carry over from year-to-year, to new jobs and even into retirement.

You're eligible for an HSA if you:

- Aren't covered by any other health plan that is not a high-deductible health plan (HDHP)
- Are not enrolled in Medicare, TRICARE or TRICARE for Life
- Haven't received Veterans Affairs (VA) benefits within the past 3 months, except for preventive care; if you have a disability rating from the VA, this exclusion doesn't apply
- Can't be claimed as a dependent on someone else's tax return
- Don't have a health care FSA (flexible spending account) or HRA (health reimbursement arrangement). Note: Alternative plan designs, such as a limited-purpose FSA or HRA, might be permitted



Smart tip: Other restrictions and exceptions may also apply. We recommend that you consult a tax, legal or financial advisor to discuss your personal circumstances.

How an HSA helps you save money

HSAs are triple tax advantaged accounts, helping you save, earn and spend income tax-free:

- 1 **Contribute** income tax-free money to your account (up to IRS limits) and adjust at any time during the year.
- 2 **Grow** your savings with income tax-free interest and investment growth
- 3 **Spend** your HSA dollars on thousands of qualified medical expenses, like glasses, prescription refills and doctor visits — all income tax-free



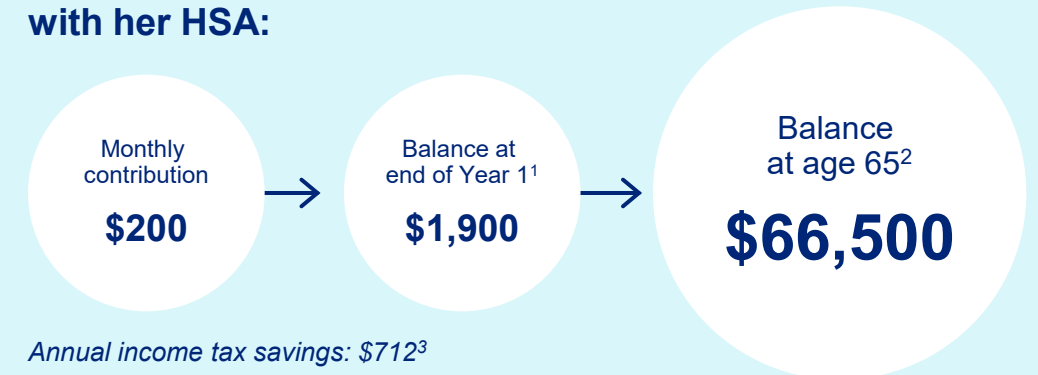
Smart tip: Go to optum.com/library for calculator tools to help determine the right contribution amount for you

See how Jai is supersizing her nest egg

Meet Jai. She's 30 and considers herself fairly healthy. When she started her new job, she decided to open an HSA and contribute \$200 per month. She uses \$500 each year to cover her health costs.



Here's how much Jai can save with her HSA:



1. $\$2,400$ (annual contribution) – $\$500$ (annual health care costs) = $\$1,900$

2. $\$1,900$ (total annual contribution) \times 35 (remaining years to 65) = $\$66,500$

3. Income tax savings assumes 22% federal income tax and 7.65% FICA. Results and amount vary depending on individual circumstances

Contribute

Things to consider when choosing your contribution amount:

- Do you have any ongoing prescriptions?
- Do you have any planned procedures or surgeries?
- Is someone in your family getting braces?
- How much is your health plan deductible?
- Are you considering starting a family?
- When do you plan to retire?

HSA contribution summary

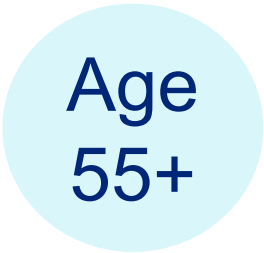
IRS 2026 out-of-pocket costs	Individual coverage	Family coverage
Maximum HSA contribution level	\$4,400	\$8,750
Minimum deductible for qualifying high-deductible health plan (HDHP)	\$1,700	\$3,400
Maximum out-of-pocket expenses for HDHP	\$8,500	\$17,000

How much can I contribute?

The IRS determines maximum contribution limits

	2025	2026
Individuals	\$4,300	\$4,400
Families	\$8,550	\$8,750

Plus catch-up contributions



Eligible to contribute an extra \$1,000 per year.



All contributions count toward the IRS determined limit:

- Payroll deductions
- Direct contributions
- Employer contribution

How to make deposits into your HSA?

Payroll deduction

Contribute through payroll deduction and save on FICA taxes

Contribute online

Arrange a one time or recurring electronic transfer from an account at another financial institution

Mail a check

Deposit additional dollars into your account by mailing in a check

You can make HSA deposits until the federal tax deadline in order to realize tax savings for the prior year



You have until the tax filing deadline each year to maximize your HSA contributions for the previous tax year.

That means that if you did not contribute the maximum amount for 2025, you have until tax day the following year to do so.

Be sure to specifically designate those contributions for 2025.



Investing with your HSA

Minimum account balance to begin investing

Investment threshold:
\$1,000

Minimum transfer amount:
\$100



Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

Grow: Investing in your HSA

Once you reach the investment threshold, there are options available for every type of investor:

- 1. **Digitally managed investments** – if you’re short on time or need help
 - Online investment support from Betterment®
 - Brief questionnaire on goals, risk profile
 - Low-cost exchange traded funds (ETFs)
 - Auto-deposits and automated rebalancing
- 2. **Mutual funds** – if you’d like to choose from a preselected list of funds
 - A diverse variety of mutual funds
 - High Morningstar® ratings
 - Low expense ratios

*Hypothetical example for illustrative purposes only. Amounts will vary depending on your unique circumstances. Account holders must meet the minimum balance to begin investing, this amount may vary, check your online account or plan documents. Investments are not a deposit, not FDIC insured, not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk including fluctuations in value and the possible loss of the principal amount invested.

The earlier you start investing, the greater potential you have



Let’s say you contribute \$3,000/year to your HSA until you retire at 65. Assuming you use \$1,500/year for medical expenses, earn 7% a year in interest and investments, and reinvest all earnings, your savings can really add up.

Starting age	HSA value at age 65*
25	\$320,420
35	\$151,613
45	\$65,799
55	\$22,176

Spend

Examples of HSA-qualified medical expenses:

 Acupuncture	 Nursing services	 Rx drugs and refills
 Chiropractic care	 Orthodontia (non-cosmetic)	 Psychiatric care
 Eye exams, glasses, contacts	 Physical exams	 Sunscreen (SPF 15+)
 Flu shots	 Physical therapy	 Wheelchairs, walkers, crutches and canes



Use the qualified medical expense tool at **optum.com/qualifiedexpenses** to review a full list.

How to access your HSA account and funds



Online

- Check your balance
- Make deposits
- Pay bills
- Submit receipts
- Reimburse yourself
- Manage your investment activity



App

- Pay bills, track payment and reimburse yourself
- Check your balance
- Search for qualified medical expenses
- Capture and submit receipts easily deposit funds
- Calculate your contributions
- Update your beneficiary



Payment card

- Pay the easier way at the doctor's office, chiropractor or pharmacy
- Pay for qualified medical expenses online

Non-qualified medical expenses

What if you use your HSA for non-qualified medical expenses?

Less than 65 years old?

You pay income tax on the funds

-AND-

20% penalty by the IRS

65 or older?

You pay income tax on the funds only



**Healthcare
expenses are one
of the biggest
financial worries in
retirement.**



Comparison of financial accounts

HSAAs come with great tax benefits

Type of Account	Tax Advantaged Contributions	Income Tax-Free Growth	Income Tax-Free Distributions
HSA	✗	✗	✗
Roth IRA		✗	✗
401(k), 403(b), traditional IRA	✗	✗	

HSAs & Retirement

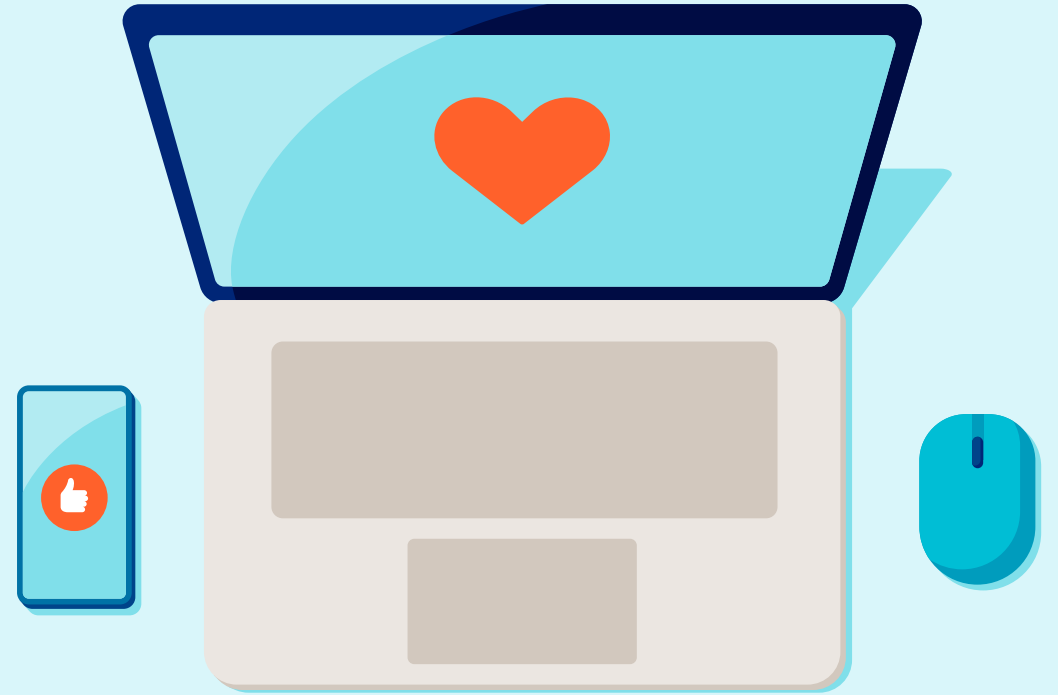
use your HSA as part of your retirement strategy

You no longer can contribute, but you can maximize your after-retirement income

- During your working years, build your HSA to help cover your future medical expenses
- Use funds in your HSA to pay for qualified medical expenses in retirement
- Use your HSA funds to pay for Medicare premiums and qualified medical expenses such as deductibles, copays, and coinsurance for Medicare plans:
 - Part A (hospital and inpatient care)
 - Part B (doctor and outpatient care)
 - Part D (prescription drugs)



Health account resources



Manage your HSA in the app



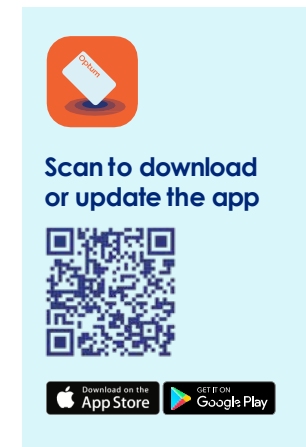
The Optum Bank app helps make paying for health care easier

Figuring out what's covered by your accounts, remembering your balance, determining where to pay your bills and keeping track of your receipts — it can be a challenge when you're not in front of a computer. The Optum Bank® app makes it easy to do it all on the go.



Do more on the go

- Sign in securely with face or fingerprint recognition technology (if equipped)
- Track your balance and recent transactions
- Pay bills
- Upload receipts and submit for reimbursement
- Search for qualified medical expenses
- Make contributions through mobile check deposit or bank transfer



Health savings accounts (HSAs) are individual accounts held at Optum Bank®, Member FDIC, unless otherwise indicated, and administered by Optum Financial, Inc. or ConnectYourCare, LLC, an IRS-Designated Non-Bank Custodian of HSAs, a subsidiary of Optum Financial, Inc. Neither Optum Financial, Inc. nor ConnectYourCare, LLC is a bank or an FDIC insured institution. HSAs are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State and/or local taxes may still apply. Fees may reduce earnings on account. Refer to your HSA account agreement for details.

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Q&A

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