

CHARGING Forward with the New HSA Saver Medical Plan

Looking Under the Hood: How the HSA Works

Who Is Eligible for the HSA?

You can contribute to an HSA if you:



Are covered by an HSA-qualified consumer-driven health plan (CDHP), like BorgWarner's new **HSA Saver Medical Plan**.



Are not enrolled in Medicare, TRICARE or TRICARE for Life.



Are not covered by another non-CDHP qualified medical plan, including your spouse's or parent's medical plan.



Cannot be claimed as a dependent on someone else's tax return.

How the HSA Is Funded

BorgWarner Contributions

- ✓ For the first pay period in January, BorgWarner will make an annual employer contribution to your HSA based on the coverage level you elected:

Employee Only:	\$ 600
All other coverage tiers:	\$ 1,200
- ✓ Unlike the HRA, you decide when to use the funds.
- ✓ You may access the full amount immediately.

Your Contributions

- ✓ Unlike the Health Reimbursement Account (HRA), you may contribute personal funds to the HSA on a pre-tax basis up to the annual contribution limit set by the IRS. The 2024 limits are:

Employee Only:	\$4,150
Family:	\$8,300
- ✓ If you are age 55 or older, you can make an additional \$1,000 catch-up contribution.
- ✓ Your annual contribution is divided into equal amounts and automatically deducted from each paycheck BEFORE taxes are taken out.
- ✓ Plus, you can make additional contributions online at any time.
- ✓ Anyone can contribute to your HSA at anytime.
- ✓ You can change/stop your contributions at any time.

What You Can and Can't Pay for with Your HSA

You can use your HSA to pay for a wide variety of qualified healthcare expenses.

	Common Qualified Expenses	Lesser-Known Qualified Expenses
 Medical	Deductible, office visit copays, coinsurance	Therapy, chiropractic visits, labs, imaging, medical equipment (crutches), physical therapy
 Prescription	Prescription copays and coinsurance	Over-the-counter medications
 Wellness	Personal protective equipment, sleep aides	Sunscreen, eye drops, acne medicine, massage (if doctor prescribed)
 Dental	Dental deductibles, copays and coinsurance, routine cleanings, fluoride, dental procedures	Braces and Invisalign aligners
 Vision	Eye exams, prescription eyeglasses, contact lenses	Sunglasses, contact lens solution
 Family Planning	Birth control	Fertility treatments, pregnancy tests, breast pumps

Expenses that are off limits:

There are certain expenses that do not qualify for HSA reimbursement. The rule of thumb is that if the expense doesn't meaningfully support good health or prevent or treat illness, disease, or chronic conditions, it's likely not a qualified expense. Examples of non-qualified expenses include cosmetic surgery, health club memberships, hair regrowth products and skin care.



LEARN MORE: The IRS updates the qualified expense list frequently, so for the most up-to-date complete list, visit healthequity.com/hsa-qme.

How to Access Your HSA Funds

Accessing your HSA funds is easy. First, keep in mind that Cigna will automatically forward all medical claims to your HSA vendor. You can then choose to pay it using HSA funds or personal funds. Either way your medical claims information will be stored in your HSA member account. Here are the ways you can access your HSA:



Debit card

- ✔ You automatically receive a debit card(s) in the mail soon after you enroll; fees may apply for additional cards.
- ✔ Pay for out-of-pocket expenses directly from your HSA at the point of sale, such as at a doctor's office, pharmacy or when buying eyeglasses or contact lenses.
- ✔ Debit card purchases are limited to eligible health care merchants such as medical providers, dentists, vision providers and pharmacies.



Online bill pay and reimbursement

- ✔ Pay healthcare expenses online directly from your HSA on a one-time or recurring basis.
- ✔ You can elect to have a check sent to you or to your provider for qualifying expenses not reimbursed by your health plan.
- ✔ You can also pay for expenses using your personal funds and request reimbursement from your HSA later.
- ✔ You can reimburse yourself by making a withdrawal via an electronic funds transfer (EFT) or have a check mailed to you.



REMEMBER: Always keep your receipts in case you are required to provide proof of services.



Investing Your HSA

A valuable feature of the HSA is that once you have \$1,000 in your account, you may choose to invest some or all those funds — giving your money a greater opportunity to grow over time.

And here's a bonus: Any investment gains in an HSA aren't taxed, which could give your money the potential to accumulate faster — making it a valuable retirement tool.



REMEMBER: Investing always involves some level of risk, including possible loss of the principal value. Watch for an upcoming article that shares more about the power of investing in the HSA.

The Portability of the HSA: It Goes Where You Go

Unlike the HRA or Flexible Spending Accounts (FSAs), your HSA account balance belongs to you.

That means you will have access to your HSA balance, even if you:



Change
medical plans



Change
jobs



Retire



Enroll in
Medicare

Keep in mind, you won't be able to continue contributing to the HSA, but the funds in the account are yours to use.



Managing Your HSA

Once you enroll and open your HSA, the HealthEquity online member portal (and mobile app) is a powerful tool that gives you access to all account management features.

Using the HealthEquity member portal, you can:

- ✓ check your HSA balance,
- ✓ review transactions
- ✓ view insurance claims
- ✓ invest in mutual funds
- ✓ pay providers and submit for reimbursement

Watch for details on how to access the member portal and app during open enrollment.



Watch for additional articles coming soon about the HSA and all it has to offer. All articles will be posted on the U.S Benefit Pulse page and [Borgwarner.com/benefits](https://www.borgwarner.com/benefits) as they become available.