

HSA Contribution Limits & IRS Regulations

The IRS sets the maximum dollar amount you can elect and contribute to a Health Savings Account (HSA). The 2026 annual contribution limit is:

Single coverage - **\$4,400**

Family coverage - **\$8,750**

Please note: If you're 55 years of age or older, you are eligible to make an annual catch-up contribution, which lets you contribute an additional \$1,000 on top of the above annual contribution limits.

HSA IRS REGULATIONS

Save on taxes 3 ways

The HSA is unique because it allows you to save on taxes in three ways.



The money you contribute



Your earnings from investments



Withdrawals for eligible expenses

These are all tax-free, making it a powerful savings and retirement tool.



Funds availability and changing your election

HSA funds are available to spend, save or invest after they've been deducted from your paycheck and contributed to your HSA. You can adjust your payroll deductions or contributions at any time, no questions asked.

Privately owned savings

The HSA is your privately owned savings account. Funds roll over year to year. And if you change employers, your HSA stays with you. There is also no requirement to submit receipts or substantiation for your qualified purchases.

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5 Benefits of a Health Savings Account

Invest in your future *and* save your money.

Play it smart this enrollment season by choosing to save money.

Here are five reasons why an HSA could be the right choice for you and your family:

1. Invest in your future

An HSA acts just like a savings account in which you can routinely contribute funds and keep it for whenever you need it to pay for qualified medical expenses.

2. Keep your remaining funds

At the end of your plan year, any remaining funds stay in your account from one year to the next. This way, you continue saving.

3. Take your HSA with you

No matter where life takes you, your HSA moves with you. Whether it's a job change, a new health plan, or retirement, your HSA remains in your control. There is no minimum distribution during your retirement years, either. Thus, continuous contributions to your HSA are a wonderful way to plan for retirement, too!

4. Reduce health insurance premiums

To enroll in an HSA, you must be enrolled in an eligible high deductible health plan that meets deductible requirements set by the IRS. HSA qualified health insurance plans typically have smaller monthly insurance premiums, putting more money in your pocket each month.

5. Multiple Tax Benefits

There are three major tax advantages to your HSA.

1. Cash contributions to an HSA are 100% deductible from your federal gross income (within legal limits).
2. Interest on savings accumulates tax deferred.
3. Withdrawals from an HSA for "qualified medical expenses" are free from federal income tax.

\$4,400

Maximum 2026 HSA
contribution for individuals

\$8,750

Maximum 2026 HSA
contribution for families

\$1000 - 55+ catch-up

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Flexible Spending Account — Real Savings. Real Simple.

Using a Flexible Spending Account (FSA) is a great way to stretch your benefit dollars. You use before-tax dollars in your FSA to reimburse yourself for eligible out-of-pocket medical and dependent care expenses. That means you can enjoy tax savings and increased take-home pay—all with the convenience of a prepaid benefits card. Plus, you can rollover \$680 from one year to the next, reducing your risk of losing dollars at the end of the plan year.

WHAT IS AN FSA?

With an FSA, you elect to have your annual contribution (up to the \$3,400 limit set by the IRS) deducted from your paycheck each pay period, in equal installments throughout the year, until you reach the yearly maximum you have specified. The amount of your pay that goes into an FSA will not count as taxable income, so you will have immediate tax savings. FSA dollars can be used during the plan year to pay for qualified expenses and services.

- A Healthcare FSA allows reimbursement of qualifying out-of-pocket medical expenses.
- A Dependent Care FSA allows reimbursement of dependent care expenses, such as daycare) incurred by eligible dependents.

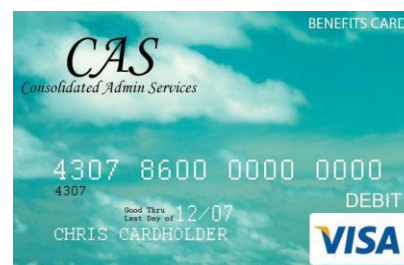
With all FSA account types, you'll receive access to a secure, easy-to-use web portal where you can track your account balance, view your claims history, and submit requests for reimbursements.

In addition, you'll receive a convenient [CAS benefits card](#) to make it easy to pay for eligible services and products not covered by your health insurance. When you use the card, payments are automatically withdrawn from your account. Just swipe the card and go. Most expenses can be validated through the card transaction, but you may be prompted to provide a copy of the receipt for certain transactions in accordance with IRS regulations. When required, receipts can be easily sent uploaded to either the consumer portal online or, through the mobile app.

WITH AN FSA YOU CAN:

An FSA is a great way to pay for expenses with pre-tax dollars.

- [Enjoy significant tax savings](#) with pre-tax deductible contributions and tax-free reimbursements for qualified plan expenses
- [Quickly and easily access funds](#) using the prepaid benefits card at point of sale, or request to have funds directly deposited to your bank account via online or mobile app
- [Reduce filing hassles and paperwork](#) by using your prepaid benefits card
- [Enjoy secure access](#) to accounts using a convenient Consumer Portal available 24/7/365
- [Manage your FSA "on the go"](#) with an easy-to-use mobile app
- [File claims easily online](#) (when required) and let the system determine approval based on eligibility and availability of funds
- [Stay up to date on balances](#) and action required with automated email alert and convenient portal and mobile home page messages
- [Get one-click answers](#) to benefits questions
- [Use it or Roll It Over](#). And now up to \$680 of your unused healthcare Flexible Spending Account balance can be carried over into the next plan year instead of you "losing it" - making enrollment in an FSA much less risky. This gives you more flexibility to spend your FSA money when you need it. You can use it for necessary out-of-pocket healthcare expenses, rather than feeling pressured to engage in last minute and potentially unnecessary spending at the end of the year.



Flexible Spending Account — Real Savings. Real Simple.



IS AN FSA RIGHT FOR ME?

An FSA is a great way to pay for expenses with pre-tax dollars.

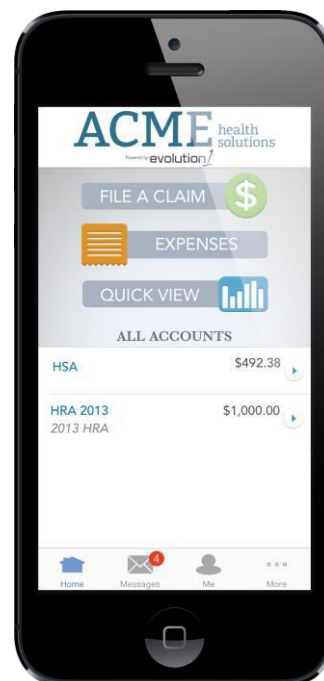
A Healthcare FSA could save you money if you or your dependents:

- Have out-of-pocket expenses like co-pays, coinsurance, or deductibles for health, prescription, dental or vision plans
- Have a health condition that requires the purchase of prescription medications or over the counter medications on an ongoing basis
- Wear glasses or contact lenses or are planning LASIK surgery
- Need orthodontia care, such as braces, or have dental expenses not covered by your insurance

A Dependent Care FSA provides pre-tax reimbursement of out-of-pocket expenses related to dependent care. This benefit may make sense if you (and your spouse, if married) are working or in school, and:

- Your dependent children under age 12 attend daycare, after-school care, or summer day camp
- You provide care for a person of any age whom you claim as a dependent on your federal income tax return and who is mentally or physically incapable of caring for himself or herself

*The amount you save in taxes with a Flexible Spending Account will vary depending on the amount you set aside in the account; your annual earnings; whether or not you pay Social Security taxes; the number of exemptions and deductions you claim on your tax return; your tax bracket and your state and local tax regulations. Check with your tax advisor for information on how participation will affect your tax savings.



PLAN AHEAD

Before you enroll, you must first decide how much you want to contribute to your account(s). You will want to spend some time estimating your anticipated eligible medical and dependent care expenses for the 2026 calendar year and know that you don't have to worry about losing unused medical funds (up to \$680). (Dependent care funds do not rollover.)

Throughout the year, you'll likely find yourself with expenses for yourself and your family that insurance won't cover. By taking advantage of an FSA, you can actually reduce your taxable income and reduce your out-of-pocket expenses when you use your FSA to pay for the things you'd purchase anyway.

Above: With the convenience of a mobile device, you can see your available balance anywhere, anytime as well as file claims and upload receipts.

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Dependent Care Flexible Spending Account

Why should I choose a Dependent Care Flexible Spending Account (FSA)?

A Dependent Care FSA is a benefit that allows you to choose how much of your paycheck you'd like to set aside, before taxes are taken out, for eligible dependent care expenses each year. The Dependent Care FSA lets you pay for eligible dependent care expenses while you reap the benefits of additional tax savings. You're spending the money either way. This way, eligible childcare and other dependent care costs are a little less. *

*Savings chart based on a 30% tax bracket.

The IRS sets the maximum dollar amount you can elect and contribute to a Dependent Care FSA. The annual contribution limit is:

Per household - **\$7,500** (married and filing jointly or single parent); per person (if married or filing separately) - **\$3,750**

Funds available as you contribute. Funds will be available to you as they're deducted from your paycheck and contributed to the plan. This means when payroll is processed and your paycheck is available to you, your Dependent Care FSA contributions will be applied to your account and available for reimbursement.

Use-or-lose. Don't forget to spend your FSA dollars. If you have not used all of your FSA dollars before the end of the plan year, you will forfeit any money left in your account. Check with your employer to confirm how many days you have to submit claims for reimbursement after the plan year ends.

Changing your Dependent Care FSA election. In order to make changes to your election after open enrollment, you need to experience a qualifying life event, such as:

- Change in marital status
- Change in the number of dependents
Increase due to birth, adoption or marriage
- Decrease due to death, divorce or loss of eligibility
- Gain or loss of eligibility due to a change in participant, spouse or dependent employment status
- Change in daycare providers
- Child turning age 13
- Increase or decrease in the cost of qualifying daycare expenses
- Judgement, decree or order requiring a change in coverage

If you experience a qualifying life event, contact your employer to make changes to your election.

What does it cover?

The list includes, but is not limited to, eligible:

- Childcare center, babysitter, nanny (birth through age 12)
- Summer day camp
- Before or after-school care
- Disabled dependent and/or spouse care
- Elder care

Out-of-Pocket Expenses	Annual Average	Taxes Saved (30% Tax Bracket)
After-School Care	\$4,000	\$1,200
Summer Day Camp	\$1,000	\$300
Total	\$5,000	\$1,500

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Eligible Dependent Care Expenses

Child Care Expenses

	Eligible
Activity fees	No
After school program	Yes
Au Pair	Yes
Babysitting (work related, in your home or someone else's home)	Yes
Babysitting (not work related, for other purpose)	No
Babysitting by your relative who is not a tax dependent (work-related)	Yes
Babysitting by your tax dependent (work-related or for other purpose)	No
Before or after school programs	Yes
Child care	Yes
Dance Lessons	No
Dependent care (while you work, to enable you to work, or look for work)	Yes
Educational, learning or study skills services	No
Extended care (supervised program before or after regular school hours)	Yes
Field trips	No
Household services (housekeeper, maid, cook, etc)	No
Housekeeper who cares for child (only portion of payment attributable to work-related child care)	Yes
Kindergarten tuition	No
Language classes	No
Late payment fees	No
Meals, food or snacks	No
Medical care	No
Nanny	Yes
Nursery school	Yes
Payroll taxes related to eligible care	Yes
Piano lessons	No
Pre-school	Yes
Private school tuition (for kindergarten and up)	No
Registration fees (required for eligible care, after actual services are received)	Yes
Registration fees (required for eligible care, prior to actual services received)	No
School tuition	No
Sick child care	Yes

Sleep-away camp	No
Summer day camp	Yes
Total payments (transferred from previous administrator)	Yes
Transportation to and from eligible care (not provided by your care provider)	No
Transportation to and from eligible care (provided by your care provider)	Yes
Tutoring	No

Elder Care Expenses

	Eligible
Adult day care center	Yes
Custodial elder care (not work related, for other purpose)	No
Custodial elder care (work-related)	Yes
Day nursing care	No
Elder care (while you work, to enable you to work, or look for work)	Yes
Elder care (in your home or someone else's)	Yes
Medical care	No
Nursing home care	No
Senior day care	Yes
Total payments (transferred from previous administrator)	Yes
Transportation to and from eligible care (not provided by your care provider)	No
Transportation to and from eligible care (provided by your care provider)	Yes

Two ways to pay: Use your CAS debit card to pay your provider or use the claim form to submit your claims for reimbursement.

