

Introduction to health savings accounts



A health savings account (HSA) allows you to save money for qualified medical expenses that you're expecting, such as contact lenses or monthly prescriptions, as well as unexpected ones — for this year and the future.

Why have an HSA?

You own it

The money is yours until you spend it, even deposits Disney makes to your account in company contributions or wellness rewards. You keep it, even if you change jobs, health plans or retire.

Tax savings

HSAs help you plan, save and pay for health care, all while saving on taxes.

- The money you deposit is federal income tax-free.
- Savings grow income tax-free.
- Withdrawals for qualified medical expenses are also income tax-free.

It's not just for doctor visits

Once you've contributed to your account, you can use the funds in your HSA to pay for qualified medical expenses such as:

- Dental care, including extractions and braces
- Vision care, including contact lenses, prescription sunglasses and LASIK surgery
- Prescription medications
- Certain over-the-counter drugs and medications
- Chiropractic services
- Acupuncture

Save for the future

Your HSA rolls over from year to year, so you can continue to grow your savings and use it in the future - even into retirement.

Contribution limits

There are contribution limits, set by the Internal Revenue Service (IRS) and adjusted annually.

The IRS limits are:

- **\$3,550** for individual coverage in 2020; **\$3,600** in 2021
- **\$7,100** for family coverage in 2020; **\$7,200** in 2021
- **\$1,000** extra if you're 55 or older, also known as catch-up contributions

The amount you can contribute to your Disney HSA is reduced by the amount of any Company contributions and potential wellness rewards you could earn.

Who can have an HSA?

To be an eligible individual and qualify for an HSA, you must be enrolled in a high-deductible health plan (HDHP) that meets IRS guidelines for the annual deductible and out-of-pocket maximum, such as Disney's Consumer Choice medical plan option.

In addition, you must:

- Be covered under a qualifying HDHP on the first day of a given month.
- Not be covered by any other health coverage except what is permitted (dental, vision, disability and some other types of additional coverage are permissible).
- Not be enrolled in Medicare, TRICARE or TRICARE for Life.
- Have not received Department of Veterans Affairs (VA) benefits within the past three months for a non-service-related disability.
- Not be claimed as a dependent on someone else's tax return.
- Not have a health care flexible spending account (FSA) or health reimbursement account (HRA).

Other restrictions and exceptions also apply. Consult a tax, legal or financial advisor to discuss your personal circumstances.

Your account is automatically opened for you by Disney.

When you enroll in Disney's Consumer Choice medical plan option, an HSA is automatically opened for you. If you are eligible, Disney will add a company contribution and any wellness rewards you or your enrolled spouse or partner may earn to your HSA. Then you can choose to add additional contributions on a pre-tax basis through payroll deduction, up to the IRS contribution limit.

Have questions?



Visit optumbank.com/disney or download the Optum Bank mobile app.

Contributions—and tax savings—add up quickly.

When Marcus started his new job, he decided to open an HSA and contribute \$100 per month. Because he hasn't had many medical expenses, he decided not to touch the balance during his first year. Here's how his contributions added up:

Monthly contribution: **\$100**

Annual contribution: **\$1,200**

Annual income tax savings¹: **\$452**

¹ 25% federal | 5% state | 7.65% FICA

Use the HSA Calculator on optumbank.com/disney to help determine your contributions and see how much you can save on taxes.

Download the Optum Bank app.

Enjoy an easier way to manage your health savings account. You can pay bills, view transactions, upload receipts and more! Download today on your Apple or Android device.



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