

# 3 HSA Facts and Myths

**Health savings accounts (HSAs)** are a smart, tax-advantaged way to save for medical expenses. Funds in an HSA can be used for various eligible health care expenses, such as copays, prescriptions, dental care and vision-related costs. The accounts are often used to help offset the higher deductibles and out-of-pocket costs that come with a high-deductible health plan (HDHP).

Despite their growing popularity, HSAs are often misunderstood. This chart highlights **three key facts** and debunks **three common myths**.

## Fact

### **You must be enrolled in an HDHP to contribute to an HSA.**

HSAs are only available to individuals who are covered by a qualified HDHP. This requirement set by the IRS ensures that HSAs are used in conjunction with plans with higher deductibles and lower premiums.

### **HSA funds roll over from year to year and never expire.**

Unlike FSAs, HSA funds don't have a "use-it-or-lose-it" rule. Any unused funds roll over annually and continue to grow tax-free, making HSAs a powerful long-term savings tool.

### **You can use HSA funds for your spouse and dependents—even if they're not on your HDHP.**

As long as your spouse or dependents are claimed on your tax return, you can use your HSA to pay for their qualified medical expenses, even if they aren't covered under your HDHP.

## Myth

### **You can open an HSA even if you don't have an HDHP.**

Without an HDHP, you are not eligible to contribute to an HSA. However, you can still use the funds for qualified expenses if you already have an HSA from a previous HDHP enrollment. Also, you may be eligible for a different type of account, like a flexible spending account (FSA).

### **If you don't use your HSA funds by year-end, you lose them.**

HSAs are often confused with FSAs, which only offer a limited carryover amount (\$500 in 2025). With an HSA, your money stays in the account and is always available for future qualified medical expenses.

### **You can only use your HSA for yourself.**

HSAs are flexible and can be used to cover eligible expenses for your entire family, making them a valuable resource for managing household health care costs.

An HSA can be one of the most powerful tools in your benefits package. It helps you save money on health care today while planning wisely for the future.

Check with your employer to learn more about HDHP and HSA offerings.