

A Health Savings Account (HSA) is a tax-advantaged account that lets you save and pay for your qualified medical expenses. Think of it as a 401(k) for health – only better.

## HIGHLIGHTS

The HSA offers many advantages that are not available with any other health plans:

- **You're in control.** An HSA provides you with the flexibility of deciding whether to spend or save your money.
  - You can use the money in your HSA to pay for your care when you need it, including out-of-pocket costs that count toward your annual deductible or coinsurance
  - You can also save money in your HSA. Any balance left at the end of the year automatically rolls over and can be a great way to save for future health care expenses.
- **It's your money.** An HSA is an individually owned account that you can take with you when you retire or leave 3M.
- HSAs are triple-tax advantaged:
  - Contributions can be made on a pretax basis
  - Any earnings gained on the account are free from federal taxes (for example, through basic interest or investments)
  - Withdrawals can be made tax-free if used for qualified health care expenses. (Some states may tax earnings and withdrawals.)
- **3M helps you get started.** The company contributes an annual amount of \$600 for individual coverage or \$1,200 for family coverage.
- You can elect to **make pretax contributions to your HSA through payroll deductions.** You're also eligible to make after-tax contributions as well.
- Once you have a balance of \$1,000 in your HSA, you have the option to **invest in many mutual funds** to boost your growth potential.

## MAKING SURE YOU'RE ELIGIBLE TO HAVE AN HSA

The 3M Advantage plans meet IRS guidelines as qualified high-deductible health plans, which allow you to open and make contributions to an HSA. However, there are some additional requirements to keep in mind for you to be eligible to fund an HSA:

- You cannot be claimed as a tax dependent by someone else
- You cannot be enrolled in Medicare
- You cannot be covered under another medical plan that does not qualify as a high-deductible health plan (for example, Basic PPO plan)
- You (or your spouse) cannot participate in a Traditional Flexible Spending Account (FSA), such as 3M's Traditional Health Care Reimbursement Account (HCRA)