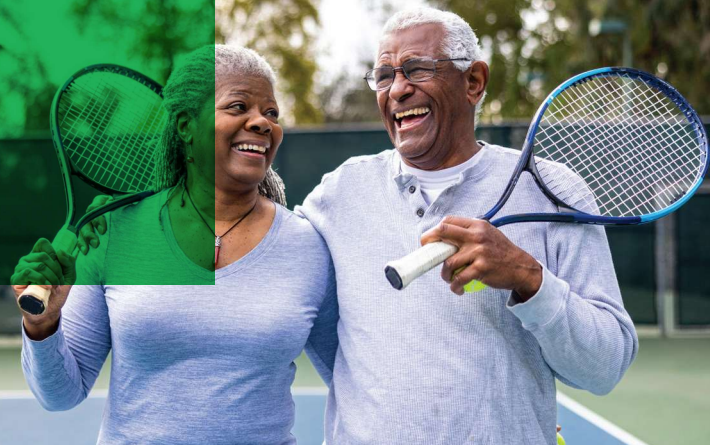




Tax FAQs

HSA Central



Tax Frequently Asked Questions

With your HSA Central account comes several benefits and the triple-tax advantage of a Health Savings Account. In order to truly benefit from those advantages, it's important to take the necessary steps to properly file your taxes each year. Here are some frequently asked questions about HSAs and taxes that you may find helpful. Remember, always consult with your tax specialist if you have any tax-related questions.

When and where can I use my HSA funds?

You may use your HSA funds at any time for [IRS-qualified medical expenses](#). This can be done by using your HSA Central debit card, or by reimbursing yourself after you've made a qualified purchase.

What are the tax advantages for an HSA customer?

Health savings accounts offer a triple-tax advantage* in that deposits are tax-deductible, growth is tax-deductible, and spending tax-free. All contributions to your HSA are tax-deductible, or if made through payroll deductions, are pre-tax which lowers your overall taxable income. For more information visit our [HSA Tax Advantages](#) section.

What are the tax advantages if I'm an employer providing an HSA to my employees?

By offering a high-deductible health plan your employees are eligible to participate in health savings account. This allows you as the employer to make tax-free contributions to your employees. Employers can also save on payroll taxes for HSA contributions.

Which tax documents are important for HSA Participants?

There are two tax documents that are important if you have an HSA: 1099-SA and 5489-SA

1099-SA This tax document is used to report any distributions, or withdrawal of fund from your HSA during the tax year. All of your distributions from your HSA must be reported on IRS Form 8889 before filing your taxes.

5498-SA The 5489-SA form reports all contributions to your HSA for the correlating tax year, including those contributed from the end of the year to the tax deadline for the year, usually April 15th of the following year. It is important to know that this form is only informational and does not need to be filed with your income tax return. But it's a great way to make sure you're taking full advantage of the allowed annual HSA contribution amounts.



How can I access these tax documents?

You can access your tax documents while logged into your HSA Central account and clicking on “Tools & Support.” From there, scroll down the page and look for the “HSA Tax Documents” link under the Documents & Forms section. From there you can click on each document to then print or download.

What do I need to do with these tax documents?

These tax documents may be printed or downloaded for you to complete your tax filing. Your 1099-SA tax form must be filed with that year’s tax filing, and then distributions found on your 1099-SA document must also be recorded on the IRS Form 8889 before filing all of your taxes. The 5498-SA tax form is for your own informational purposes and does not have to be included in your yearly tax filing. Make sure to consult with your tax professional if you have any questions about these documents.

Why doesn’t my W-2 match the Form 5498-SA?

If the contributions on your W-2 don’t match your Form 5498-SA, you most likely made after-tax contributions or contributions between January 1 and tax day for the previous year.

Are HSA Contributions taxable?

You can claim a tax deduction for your HSA contributions, up to the predetermined contribution limit, even if you do not itemize your deductions on the IRS Form 1040. Any employee payroll deferral or employer pre-tax HSA contributions that are reported on the IRS Form W-2 as non-taxable will be excluded from your gross income.

What are the IRS annual contribution limits?

The IRS sets limits each year on how much you can contribute to an HSA. There are no income limits, but you do need to be enrolled in a High Deductible Health Plan (HDHP).

The maximum contribution limits for 2025 are as follows:

- **Single Coverage** - \$4,300 maximum contribution limit, with a minimum deductible of \$1,650 and a maximum out-of-pocket cost of \$8,300.
- **Family Coverage** - \$8,550 maximum contribution limit, with a minimum deductible of \$3,300 and a maximum out-of-pocket cost of \$16,600.

What happens if I contribute too much?

Any amount contributed over the allowable limit will have to count toward your taxable income. The IRS may have you pay a six percent excise tax on any excess contributions. If you’ve over-contributed, you can have excess contributions returned to you by completing and submitting the HSA Distribution Form. Be sure to check the Excess Contribution Removal box and include that date(s) when contributions were made resulting in contributions made above the contribution limit based on your coverage level.

