

Make a Plan for HSA Success

How much should you contribute to your health savings account (HSA)?

The answer is different for everyone. Use this worksheet to create a personalized plan that meets your needs. At a minimum, consider contributing at least enough to cover expected qualified medical expenses.¹ **This worksheet can help you estimate your medical budget and possible HSA contribution.** Let's consider the following budget for a hypothetical employee named Sandy.

STEP 1 Estimate last year's out-of-pocket spending:

Sandy pays all her out-of-pocket qualified medical expenses¹ with her HSA debit card, so she simply checks her year-end spending summary—a common HSA feature. She learns that she spent \$3,000 last year. If you didn't use an HSA debit card last year, consider what you spent for medical plan out-of-pocket costs such as deductibles, copays, and coinsurance. You can usually contact your health insurance carrier, or log in to their website, to find out how much you spent for those expenses.

<div style="background-color: #4CAF50; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">SANDY</div> <p>Health care spending last year (from HSA): \$ 3,000</p>	<div style="background-color: #004D40; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">YOU</div> <p>Money you paid toward your deductible last year \$ _____</p> <p>Costs that didn't count toward your deductible (such as co-pays, coinsurance, and other qualified medical expenses paid out of pocket) + \$ _____</p> <p>Health care spending last year = \$ _____</p>
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STEP 2 Subtract one-time costs

Sandy broke her arm last year. Treatment cost was \$1,500, so she subtracts that amount from her total to get a better idea of her ongoing expenses.

<div style="background-color: #4CAF50; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">SANDY</div> <p>Health care spending last year \$ 3,000</p> <p>One-time cost (broken arm) - \$ 1,500</p> <p>Estimated ongoing expenses = \$ 1,500</p>	<div style="background-color: #004D40; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">YOU</div> <p>Your health care spending last year (from step 1) \$ _____</p> <p>One-time cost (Usually available via your health insurance carrier) - \$ _____</p> <p>Estimated ongoing expenses = \$ _____</p>
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STEP 3 Budget for planned care

Next, **Sandy** adds \$1,000 for some upcoming dental work. If you're not sure how much your planned health care will cost, you may be able to find an estimate online or check with your health insurance provider.

<div style="background-color: #4CAF50; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">SANDY</div> <p>Estimated ongoing expenses \$ 1,500</p> <p>Planned health care (dental work) + \$ 1,000</p> <p>Projected health care costs = \$ 2,500</p>	<div style="background-color: #004D40; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">YOU</div> <p>Your estimated ongoing expenses (from step 2) \$ _____</p> <p>Estimated cost of planned health care + \$ _____</p> <p>Projected health care costs = \$ _____</p>
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STEP 4 Expect the unexpected

Sometimes you can't predict health care needs and costs—but don't worry, your HSA can still help. **Sandy** decides to budget an additional \$1,000 for unforeseen medical expenses.

	Projected health care costs	\$ 2,500		Your projected health care costs (from step 3)	\$ _____
	Savings for unforeseen costs	+ \$ 1,000		Savings for unforeseen costs	+ \$ _____
	Total health care budget	= \$ 3,500		Total health care budget	= \$ _____

Budget for your HSA contribution

Now that you've estimated your expected medical expenses, you can create a savings plan to make sure you're contributing enough to cover your costs.

<p>BUDGET A Contribute enough to cover your out-of-pocket expenses.</p> <p>Total health care budget (from step 4) \$ _____</p> <p>Employer contribution - \$ _____</p> <p>Your total contribution² = \$ _____</p> <p>Per pay period; for example 12 (monthly) or 26 (biweekly) ÷ _____</p> <p>Total pay period contribution = \$ _____</p>	<p>BUDGET B Contribute enough to cover your deductible.</p> <p>Deductible \$ _____</p> <p>Employer contribution - \$ _____</p> <p>Your total contribution² = \$ _____</p> <p>Per pay period; for example 12 (monthly) or 26 (biweekly) ÷ _____</p> <p>Total pay period contribution = \$ _____</p>	<p>BUDGET C Maximize your contributions up to the applicable limit:</p> <p>\$4,150 for individual or \$8,300 for family coverage in 2024 \$ _____</p> <p>Catch-up contributions if you're 55 or older, up to \$1,000 + \$ _____</p> <p>Employer contribution - \$ _____</p> <p>Your total contribution² = \$ _____</p> <p>Per pay period; for example 12 (monthly) or 26 (biweekly) ÷ _____</p> <p>Total pay period contribution = \$ _____</p>
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Even if you start small and contribute just enough to cover your out-of-pocket expenses, consider adding more as your budget allows. Saving a little more can have big benefits in the long term.

And remember, you can pay for lots of everyday medical expenses with your HSA. Not sure which of your expenses are HSA-eligible? Check out "[The Surprising Costs Covered by Your HSA](#)" to learn more.¹



¹Funds from a Health Savings Accounts can be spent for qualified medical expenses only as described in IRS Publication 969.

²Remember, the combined contributions from you and your employer are subject to applicable limits, for 2024 are up to \$4,150 for individual coverage and \$8,300 for a family coverage.

The information provided herein is general in nature. It is not intended, nor should it be construed, as legal or tax advice. Because the administration of an HSA is a taxpayer responsibility, you are strongly encouraged to consult your tax advisor before opening an HSA. You are also encouraged to review information available from the Internal Revenue Service (IRS) for taxpayers, which can be found on the IRS website at IRS.gov. You can find IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, and IRS Publication 502, Medical and Dental Expenses, online, or you can call the IRS to request a copy of each at 800.829.3676.

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