

Using your Health Savings Account at the Dentist's Office



Health Savings Accounts (HSA) are used with High Deductible Health plans. If you have a health plan that meets the required minimum deductible, you may create a Health Savings Account through your employer, if offered as part of your employee benefits, or as an individual plan if the plan is not offered, or if you are self-employed. You will save up to 40%* on your family's dental work by using your HSA pre-tax dollars for approved expenses.

If you have dental HMO or PPO insurance, first you will benefit from the discounted dentist fee on covered services, then from the amount of covered services paid by the insurance carrier.

This is how a Health Savings Account works. You set up a special HSA bank account and make deposits. Deposits may come pre-tax through your employer's plan or you may make after-tax deposits to your stand-alone plan. After-tax deposits become an above-the-line deduction when you file your annual taxes.

- You may deposit funds up to the limits published by the IRS each year. Money that is not spent stays in your HSA account until you need it.
- There are no claims to file. You may pay your dentist with a check or debit card directly from your HSA account for co-pays and co-insurance as well as for non-covered, non-cosmetic treatment such as occlusal guards.
- If you do not have sufficient funds in your account to cover your withdrawal, you may reimburse yourself for out-of-pocket payments at a later time after you have deposited more money into your HSA.
- You MUST save all your receipts showing the services provided, the date of the service and the cost. The IRS may choose to audit your use of your HSA account and will require this documentation. A cancelled check will not be accepted as proof of an approved expense.
- Money withdrawn from your HSA account for non-medical purposes is subject to an excise tax as well as income tax.
- While you participate in an HSA, you, your spouse and dependents may not participate in a full Healthcare Flexible Spending Account. You may participate in a Limited FSA for dental and vision purposes only.

Pre-tax dollars have more spending muscle

Pre-tax dollars are the real deal! Depending on your tax bracket, you'll save up to 40 cents of each pre-tax dollar by not paying Federal, State and Social Security taxes. This translates into real money in your pocket. You can save on many approved dental expenses! See the table below for an example of your possible savings.

Savings Example

	With Pre-tax Plan	No Pre-tax plan
Monthly pay	\$4,000	\$4,000
Contribution to the plan	-200	0
New taxable amount	3,800	4,000
Taxes withheld from pay*	-1,142	-1,202
Out-of-pocket expenses	0	-200
Net income	\$2,658	\$2,598

Tax Savings = \$60 per month!

*Savings will vary based on tax bracket. Example shown calculated at 7.65% Social Security, 17.4% Federal and 5% state income tax savings