



# BlueSaver<sup>SM</sup> Spending Account Solutions

Industry-leading products offer flexibility and convenience

**Independence** 

# BlueSaver<sup>SM</sup> spending accounts are a smart addition to your health plans

Pairing your health plans with a tax-advantaged spending account helps you lower health care costs and helps your employees maximize their health care dollars.

## Advantages of our BlueSaver HSA, HRA, and FSA solutions

### For you

- Flexibility to choose health plan designs that fit your budget
  - Reduce federal, state, and FICA tax liability
  - Convenient account funding methods
- One website for management, billing, and reporting for all accounts



### For employees

- More control over health care spending decisions
- Save money tax-free to pay for eligible health care expenses
  - One debit card for direct payment from all accounts
  - One website for health claims and all spending account transactions



## Helping members make informed health care spending decisions

Convenient account management tools at [ibxpress.com](http://ibxpress.com) and on the IBX mobile app, custom alerts and spending account resources, and personal service combine to help members be informed, take action, and stay engaged.



### Self-serve digital tools

Viewing claims and balances and managing account activity is quick and easy at home or on the go.



### Education and engagement

Timely account alerts and regular outreach from Independence Blue Cross keeps members informed.



### Personal support

A specialized customer service team and automated telephone line support account management.

# Choose the BlueSaver spending account solution that works best for you



## Health spending account (HSA)

- Full integration with our qualified HDHPs for seamless account management
- A Mastercard® spending account debit card with free cards for dependents
- Can be linked to leading investment options

## Health reimbursement account (HRA)\*

- Flexible coverage options include deductible, copay, and/or coinsurance, limited types of expenses
- Options to determine contribution amounts to help make it easier to budget for employee health care
- Reimburse a percentage of each claim or include an employee up-front, out-of-pocket requirement

## Flexible spending account (FSA)\*\*

- Health FSA for qualified health expenses and dependent care FSA for expenses such as a child's daycare
- Medical and pharmacy claims rollover for the health FSA
- Optional direct payment to provider

## Easy account administration and employer toolkit at [ibx.com](https://ibx.com)



Our employer portal at [ibx.com](https://ibx.com) is your one-stop shop for tools to manage spending account contributions, billing, and reporting. You can also access a library of spending account resources to support account management and help you engage members including:

- Account contribution and billing guides
- Spending account collateral
- Member open enrollment materials and educational HSA videos

\*Because an HRA offers employer-owned funds, there is greater flexibility in what expenses are covered, provided they are considered qualified medical and dental expenses. Refer to IRS Publication 502 for a complete list of qualified medical and dental expenses.

\*\* BlueSaver FSAs are available to customers with 100+ employees.

# Compare spending accounts

Use the following chart to compare some of the important differences between spending accounts.

	HSA <sup>s</sup>	HRA <sup>s</sup>	FSA <sup>s</sup> *
<b>Overview</b>	Employee-owned personal savings account, which can be funded either by an employer, employee, or both. HSAs can only be offered in conjunction with a federally qualified HDHP.	Personal account funded and controlled solely by an employer. HRA employer contributions are tax deductible for employers and generally excluded from an employee's gross income.	Personal accounts generally funded solely by employees. Employers also have the option to contribute funds. FSAs help reduce tax liability for both employers and employees.
<b>Can the account be paired with any type of plan?</b>	No. HSAs must be paired with an HSA-qualified HDHP. Qualified status is determined by the Internal Revenue Service (IRS).	HRAs are best paired with HDHPs. The employer chooses member cost-sharing amounts and plan design.	Yes. However, employers participating in an HSA can only elect a limited-purpose health care FSA.
<b>Who funds the account?</b>	Employee and/or employer	Employer only	Employee and/or employer
<b>Who owns the account?</b>	Employee	Employer	Employer sponsored for employee
<b>What tax savings are available?</b>	Employee contributions are tax-deductible, and withdrawals are tax-free if used to pay for qualified medical expenses. Interest and earnings are also tax-free. Employer contributions are excluded from gross income.**	Employer contributions are generally excluded from an employee's gross income.**	Employee contributions are not generally subject to federal, Social Security, or most state taxes. Employer contributions are generally excluded from an employee's gross income.
<b>What are the maximum contributions?</b>	The IRS sets annual limits and an over-age-55 catch-up provision. Visit <a href="https://www.irs.gov">irs.gov</a> for annual maximum contribution limits.	Independence limits employer contributions to 50 percent of the health plan deductible.	Visit <a href="https://www.irs.gov">irs.gov</a> for annual maximum contribution limits.
<b>What expenses are reimbursable?†</b>	Qualified medical expenses are defined by the tax code.	Qualified medical expenses are defined by the tax code and determined by the employer.	Qualified medical expenses are defined by the tax code and determined by the plan.
<b>Do funds roll over to the following year?</b>	Yes.	Employers can choose if funds roll over and whether or not to cap the rollover amount.	Employers can opt to establish a health care FSA plan with up to a \$500 rollover or offer a 2½ month extension. The rollover is not available for dependent care.
<b>Is the account portable?</b>	Yes, the account moves with the employee through plan or employer changes and retirement.	Portability is limited. Former employees may have access to funds at an employer's discretion.	No, unused funds are forfeited to the employer at end of the plan year or upon employee termination.
<b>Is automatic enrollment offered?</b>	Yes, employers may elect to automatically enroll employees in an HSA.	Yes, employers may elect to automatically enroll employees in an HRA.	The employee elects enrollment in an FSA.

\* We also support a limited-purpose FSA to work in conjunction with your HSA.

\*\* Consult your tax advisor for rules for owners/partners that may impact options.

† If account funds are used for non-qualified medical expenses, they are subject to the current tax rate plus a 20 percent penalty.

The information in this brochure is not intended to provide legal or tax advice. You should consult with your own legal and/or tax advisor regarding the tax advantages of a spending account. Independence Blue Cross offers products through its subsidiaries Independence Hospital Indemnity Plan, Keystone Health Plan East and QCC Insurance Company, and with Highmark Blue Shield — independent licensees of the Blue Cross and Blue Shield Association.



Which spending account or combination of accounts makes the most sense for your company and its employees? For more information, contact your broker, consultant, or Independence account executive.