

# HSA Health Savings Account 2026



A Health Savings Account from Kellogg Community Credit Union is a smart way to help manage your current and future health care costs.

## What is an HSA?

A Health Savings Account (HSA) is a special tax-advantaged saving account<sup>1</sup>, similar to an IRA, but is designed for medical expenses and to help make healthcare more affordable.

To open an HSA, you must:

- Have a High Deductible Health Plan (HDHP)
- Not have any other major medical insurance coverage
- Not be enrolled in Medicare
- Not be claimed as a dependent

Your HDHP provides protection from catastrophic medical costs, while your HSA provides you with a source of funds to pay some or all of the costs not covered by the health plan—using pre-tax dollars. You may actually spend substantially less on your healthcare with a high deductible plan each year because of lower monthly premiums.

## Dollar Amounts that Define an HDHP

| Type of HDHP    | Minimum Deductible 2026 | Maximum Out of Pocket 2026 |
|-----------------|-------------------------|----------------------------|
| Single Coverage | \$1,700                 | \$8,500                    |
| Family Coverage | \$3,400                 | \$17,000                   |

## Tax Advantages

HSAs allow you to make tax-deductible contributions and accumulate earnings tax free. Plus, distributions are also tax free as long as they are used for qualified medical expenses.

## Flexibility

It's easy to access your account; you simply withdraw funds as needed for qualified medical expenses by using your designated KCCU HSA checks, debit card, or through Online Banking. HSAs can be used to pay for qualified medical expenses—from health insurance deductibles, prescriptions, doctor visits, dental care, co-payments, and other out-of-pocket costs.

## Savings Roll Year-to-Year

With an HSA there is no “use it or lose it” risk. HSA funds not used each year remain in the account earning interest tax-free until they are needed. HSA funds can also be used to save for future medical expenses and even retirement! At age 65, you can withdraw from your HSA for any purpose (not just medical) and pay normal income taxes.

## Portability

Your HSA account and all contributions are owned by you. It is yours even if you change jobs, change medical plans, move, change your marital status, etc. You decide when and how to use the money in your account.

## Contributions

Like an IRA, an HSA belongs to you, not your employer. But unlike an IRA, your employer can contribute to your HSA. Your employer's contributions are tax-free, and you can deduct your contributions on your tax returns. Contributions to your HSA must be made by your tax return due date (April 15) and the contributions are generally tax-deductible<sup>1</sup>.

## 2026 Annual Dollar Amounts that Can be Contributed to an HSA Savings Account

| Type of HDHP    | Maximum Contribution for 2026 |
|-----------------|-------------------------------|
| Single Coverage | \$4,400                       |
| Family Coverage | \$8,750                       |

<sup>1</sup>Rollovers and transfers are not subject to contribution limits.

Individuals age 55 and over are eligible for an additional “catch-up” contribution. For 2026 that amount is \$1,000.

<sup>1</sup>Consult your tax advisor regarding the tax advantages of a health savings account.

