

# How Much Could You Save With A 2021/2022 Plan Year Health Care Reimbursement Account?

As a Health Benefits Trust member, you can take advantage of the opportunity to save hundreds of dollars each year by using a Health Care Reimbursement Account (HCRA).

A HCRA saves you money by reducing your taxable income. You set aside part of your pay (you determine how much) before income tax withholding or supplemental benefits and Medicare costs are withheld from your paycheck.

As a result, your taxes are calculated on a smaller amount—in this way, you can easily reduce your taxes and increase your net pay after health care expenses—by hundreds of dollars each year!

## For More Information

Learn more about HCRAs (including how you get reimbursed through your HCRA, and comparing a HCRA versus an income tax deduction) by referring to:

- Your 2021/2022 Health Benefits Open Enrollment Guide (included in your Open Enrollment packet of information)
- The Health Benefits Trust website: [aseahealth.org](http://aseahealth.org), select **Your Benefits** from the top menu, then choose **HCRA**

**IMPORTANT:** YOU MUST ENROLL during Open Enrollment if you want to contribute to a HCRA for the 2021/2022 Plan Year. The maximum annual contribution limit is \$2,750 for the 2021/2022 Plan Year.

**ESTIMATE CAREFULLY:** The COVID-19 Relief Bill temporarily allows the full amount of your unused HCRA balance from the current Plan Year (2020/2021) to automatically roll over to the next Plan Year (2021/2022). As you plan your contributions for the 2021/2022 Plan Year, be sure to consider any rollover amount that you might have from the current Plan Year. You can still elect to contribute the full \$2,750 for 2021/2022 in addition to the rollover amount. But at the end of the 2021/2022 Plan Year, you may only roll over up to \$550 (or the indexed IRS allowable amount) of unused funds. Any unused funds over \$550 will be forfeited.



## Add Up the Savings

The example below assumes your income is \$40,000 a year and you have \$2,750 in eligible health care expenses during the year. By participating in a HCRA, your net pay for the year increases after health care expenses by \$330!

	WITH A HCRA	WITHOUT A HCRA
Annual Income	\$40,000	\$40,000
Contribution to Account	\$2,750	\$0
Taxable Income	\$37,250	\$40,000
Estimated Taxes*	\$4,470	\$4,800
After-tax Expenses	\$0	\$2,750
Net Pay (after health care expenses)	\$32,780	\$32,450
Savings	\$330	\$0

*\*Using the 2021 federal tax table—married, filing jointly*

## Do the Math! How Much Could You Save?

Use the HCRA worksheet (on the reverse) to help you estimate your health care expenses for the next Plan Year (July—June). Generally, eligible expenses are medically necessary out-of-pocket costs that your Health Plan does not cover, like deductibles, coinsurance, and many over-the-counter (OTC) health care items. For more information, refer to pages 11–12 of the Open Enrollment Guide.

Then, follow the example above, using your projected eligible health care expenses, income and taxes (use the 2021 federal tax table at [www.irs.gov](http://www.irs.gov)) to estimate your savings. You might be surprised at how quickly it adds up!



# ASEA/AFSCME Local 52 Health Benefits Trust Health Care Reimbursement Account (HCRA) Worksheet

Use this worksheet to help determine your Health Care Reimbursement Account (HCRA) election amount. You may want to review receipts from last year for your out-of-pocket health care expenses. To see your health care spending history, go to the HCRA portal on the Trust website at [aseahealth.org](http://aseahealth.org) under *Your Claims*, *HCRA History* or on the Zenith Flex mobile app (available on Apple and Android). Using this information, your receipts and this worksheet, you can estimate the amount you want to elect for your HCRA. Only budget for those medical expenses eligible for reimbursement through the HCRA. Remember, eligible expenses include those for you, your spouse and your dependents.

**NOTE:** Eligible expenses are generally medically necessary expenses that are not covered by any health plan.

## Did you know?

Nutritional supplements, such as daily vitamins, are generally not eligible for reimbursement unless they are prescribed by a physician to treat a specific condition, such as prenatal vitamins for pregnancy or Glucosamine for joint pain due to diagnosed arthritis.

		Projected Plan Year Expenses
<b>MEDICAL</b>		
Annual deductible		\$
Copays/Coinsurance (the amount you pay when you receive services)		\$
Transportation to and from your health care provider		\$
Medically necessary services the Health Plan does not cover		\$
Non-PPO penalties		\$
<b>MEDICATIONS</b>		
Prescription copays and coinsurance		\$
Eligible over-the-counter medications		\$
<b>DENTAL</b>		
Annual deductible		\$
Coinsurance for general and major services		\$
Orthodontia		\$
<b>VISION</b>		
Costs exceeding benefit allowance for:	<ul style="list-style-type: none"> <li>• Exams</li> <li>• Eyeglasses</li> <li>• Contacts</li> </ul>	\$
Radial Keratotomy/LASIK eye surgery		\$
<b>ANNUAL TOTAL (sum of above)</b>		\$ <input type="text"/>
<b>YOUR MONTHLY CONTRIBUTION</b> (minimum \$20 per month up to a maximum of \$229.00 per month). Divide your annual total by 12 (the number of monthly paycheck deductions). This is the amount to enter on the Flexible Benefits Enrollment Form.		\$ <input type="text"/>