

Health Savings Account Information



Farmers &
Merchants Bank



The Bank of
Fayetteville
A DIVISION OF THE FARMERS
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What is a Health Savings Account?

A Health Savings Accounts (HSA) is a tax-exempt trust or custodial account established for the purpose of paying or reimbursing qualified medical expenses of you, your spouse, and your dependents. Contributions to an HSA are tax deductible, the earnings grow tax deferred, and distributions to pay or reimburse qualified medical expenses are tax free.

What are my responsibilities as an HSA owner?

Each year you are responsible for determining your eligibility and allowable annual HSA contribution and whether you have qualified medical expenses eligible for reimbursement with nontaxable HSA distributions. You are encouraged to seek this guidance from a tax or legal professional.

How do I establish an HSA?

If you are eligible, you can establish an HSA by connecting with any of our new account representatives. We will explain the nature of these accounts in more detail and help you complete the necessary forms.

Am I eligible for an HSA?

You are an eligible individual and may make regular HSA contributions if you are covered under a qualifying high deductible health plan (HDHP) and answer "No" to each of the following questions:

- Do you have other health coverage (except permitted coverage)?
- Are you enrolled in Medicare?
- Are you claimed as a dependent on another person's tax return?

Who can contribute to my HSA?

If you meet the eligibility requirements for an HSA you, your employer, your family members, and any other person (including nonindividuals) may contribute to your HSA. This is true whether you are employed, self-employed or unemployed.

This document is intended to provide general information concerning the federal tax laws governing HSAs. It is not intended to provide recommendations or legal advice, or to be a detailed explanation of the rules or how such rules may apply to your individual circumstances or under your state tax laws. For specific information, you are encouraged to consult your tax or legal professional. IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, the instructions to IRS Form 8889, and the IRS's website, www.irs.gov, may also provide helpful information.

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How much can be contributed to my HSA?

The maximum annual contribution amount is the standard limit as shown in the chart that follows. It is reduced by any employer contributions to your HSA, any contributions made to your Archer MSA, and any qualified HSA funding distributions from your IRA to your HSA.

Additionally, “catch-up” contributions are available for eligible individuals who are age 55 or older by the end of their taxable year and for any months individuals are not enrolled in Medicare.

Health Savings Account (HSA) IRS limits

	2025	
	Single Plan	Family Plan
Maximum Contribution Limit	\$4,300	\$8,550
Minimum Deductible	\$1,650	\$3,300
Maximum Out-of-Pocket	\$8,300	\$16,600
Catch-up Contribution (55+)	\$1,000	\$1,000

	2026	
	Single Plan	Family Plan
Maximum Contribution Limit	\$4,400	\$8,750
Minimum Deductible	\$1,700	\$3,400
Maximum Out-of-Pocket	\$8,500	\$17,000
Catch-up Contribution (55+)	\$1,000	\$1,000

What happens to an HSA in the event of an HSA Owner's death?

HSA owners are encouraged to name a beneficiary on their HSA to inherit the funds at the time of the HSA owner's death.

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