



**Minnesota
Healthcare
Consortium**
Participating Minnesota Service Cooperatives

This guide covers your spending account options. Your employer uses SelectAccount to administer your health account. With two of the largest, most experienced and trusted administration partners in the nation, we're making your experience paying for health care intuitive, accessible and pain-free. Everything you need is just a tap, click, call or swipe away.

If you have questions, give us a call.

1-800-859-2144

7 a.m. to 8 p.m. CST, Monday-Friday

selectaccount.com

SelectAccountSM

Choose the spending account option that best meets your current needs and retirement goals. Follow this three-step process to select your benefits.

■ Step 1: Choose your High Deductible Health Plan

■ Step 2: Understand your health account options

You can select from two spending accounts that work with your health plan. Choose the type of account that fits your current health care spending and retirement planning needs. Your employer will contribute funds into the account for you.

Introducing the HSA

A health savings account (HSA) works like an individual retirement account (IRA) that you own. It belongs to you and the money is yours to keep, even if you change jobs or retire. You don't pay any taxes on the money you put in or take out, as long as you use it for qualified medical expenses.

Introducing the VEBA

A VEBA account is a unique savings account funded entirely by your employer. You can use the funds to pay for qualified medical expenses now or in the future.

Plus, you can use it to pay health insurance premiums when you retire.

HSA		VEBA
Yes (2018 HSA limits: Single \$3,450 / Family \$6,900)	You can contribute your money	No
Max limit set by IRS	Contributions allowed	No max limit
Yes	Can use it to pay COBRA if needed	Yes
No	Can use it to pay for health plan premiums post-employment	Yes
Yes	Can use it to pay Medicare premiums	Yes
Yes	Can invest the dollars in mutual funds	Yes
Yes	Account earns interest	Yes
Yes	Use it to pay eligible medical expenses at any time	Yes
Must be a tax dependent	Can pay for dependent qualified medical expenses up until their 26th birthday	Can use for any medical dependent

Preparing for retirement

HSA		VEBA
Provides immediate tax savings free of state, federal and FICA tax and tax-free withdrawals for eligible expenses.	Tax savings	Not taxed on withdrawals for eligible expenses.
Funds can be used to pay COBRA premiums and out of pocket medical expenses only.	Post-employment	Funds can be used to pay for health insurance premiums post-employment.
Yes	use it to pay Medicare premiums in retirement	Yes

Step 3: Choose the account option for you

You can choose the account you'd like your funds to go into. Your employer will contribute the same amount of funds to either account.

100% of funds in VEBA

- 100% of your employer contribution will be placed inside a VEBA on your behalf.
- If you choose 100% VEBA, you can also open and contribute to an HSA tax-free through your payroll check.

100% HSA

- 100% of your employer contribution will go into an HSA.

50% VEBA / 50% HSA

- With this option, your employer contributions go into each account evenly. You can only use VEBA funds for dental or vision expenses as long as you or your employer are contributing to an HSA.
- You can save your VEBA funds to pay medical premiums post-employment.
- Use your HSA funds to pay for qualified medical expenses.
- This options provides funding for current needs, but also ensures that you save tax-free funds for medical expenses in retirement.
- You can contribute additional dollars in your HSA (up to the IRS limit) tax-free through your payroll check.

After you select your account, here's what you can expect next:

- During open enrollment, elect a contribution to an HSA (you change this at any time).
- When your health plan renews, your employer will open an account for you.
- SelectAccount will send your SelectAccount I.D. and Visa® debit card (if applicable) by mail.
- Use your SA I.D. to set up your online access at selectaccount.com.
- Download the SelectAccount secure app or use the website to view and manage your account.



We're here for you

If you would like someone to guide you through these decisions, give us a call. You can talk with one of our specially trained customer service representatives.



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