YOUR EMPLOYEE BENEFITS

The HSA Vault: Money You Own That Never Expires

A Health Savings Account (HSA) is money you own, that never expires, and never gets taxed—if you know how to use it. Here is how to spend it, and the four rules that keep you out of trouble.

Dynasty Brief 002 · Master catalog DYN-0008 · By **Mr. Nobody** · September 18, 2026 · Dynasty Library · Articles Shelf

TWO CARDS IN YOUR WALLET — How to actually use it

1

Show your PPO card first

At the doctor, pharmacy, or emergency room, hand over your medical insurance card so the provider bills you the negotiated network rate—not full price.

2

Pay the bill with your HSA card

Once the discounted amount is confirmed, swipe your HSA debit card like a credit card. It pulls straight from your tax-free vault.

3

Keep every receipt

There is no use it or lose it—your balance rolls over forever. But the Internal Revenue Service (IRS) wants proof if you are ever asked.

THE FINE PRINT, MADE SIMPLE — Rules that keep you out of trouble

2026 contribution limits

$4,400 self-only and **$8,750** family, plus a **$1,000** catch-up if you are 55 or older. The account must pair with a qualifying high-deductible health plan: at least a $1,700 self-only or $3,400 family deductible, with out-of-pocket capped at $8,500 and $17,000.

Over the limit costs you

Excess contributions are taxed as regular income, plus a **6% excise tax for every year** the excess stays in the account.

Non-qualified spending = 20% penalty

Spending HSA funds on non-qualified expenses triggers a **20% additional tax** on top of ordinary income tax. That additional tax ends once you are disabled, reach **age 65**, or die.

Medicare changes everything

Beginning with the first month you are enrolled in Medicare, your contribution limit is **zero**—including retroactive coverage. Money already in the account still works for qualified expenses.

THE DYNASTY PERSPECTIVE

Your deductible is a cost. Your HSA is an asset. The card you hand over first decides which one grows.

WHO TO CALL

Carrier phone numbers and member portals are listed in your own benefits packet. For a question about how your plan and HSA work together: **Ask Betty** · Benefits 101, Act II: spending accounts · library.dynastyplays.com/lane/benefits-101

SOURCES

1. **2026 contribution limits and the qualifying high-deductible plan figures.** Internal Revenue Service, Revenue Procedure 2025-19. https://www.irs.gov/pub/irs-drop/rp-25-19.pdf
2. **Age-55 catch-up amount, the 6% excise tax on excess contributions, the 20% additional tax and when it ends, and the Medicare enrollment rule.** Internal Revenue Service, Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans. https://www.irs.gov/publications/p969

Educational material only; not legal, tax, or plan-administration advice. Contribution limits, eligibility, and the tax treatment of any distribution must be confirmed with your plan administrator, carrier, and tax advisor before you act. Read or share this brief at library.dynastyplays.com/articles/hsa-vault.