

INS AND OUTS

HIGH DEDUCTIBLE HEALTH PLAN

&

HEALTH SAVINGS ACCOUNT

High Deductible Health Plan (“HDHP”) & Health Savings Account (“HSA”)

Why the High Deductible Health Plan?

- Offers significantly reduced premium costs as participants pay all 1st dollar cost until the (High) deductible is met.
- Place saved premium dollars into pre-tax HSA account and use towards your actual incurred medical and Rx prescription costs.
- **Annual preventative/wellness physicals** and related labs and screenings are **100% covered, deductible waived** (in-network only).
- You will pay the discounted retail price of your Rx medications which applies towards your deductible.
 - Copays apply once deductible is met
 - **Deductible is waived**, only copays apply, for Rx medications found on the “**Aetna Preventive Medicine List**”.

High Deductible Health Plan (“HDHP”) & Health Savings Account (“HSA”)

Why the HSA?

- An HSA allows higher tax shelter contributions than an FSA account.
2026 Annual Limits:
 - HSA: Single \$4,400/ Family \$8,750.
 - Age 55+ you may contribute an additional \$1,000 into your HSA.
- You may use your HSA account for qualified medical expenses for dependents that you can claim on your tax return.
- Unlike an FSA account, HSA balances carry over year after year. In a short time, you can accumulate enough tax-free dollars to cover your future deductible and out of pocket maximum.
- HSA dollars can be invested. Gains and interest are tax-free.
- At age 65, you may take a distribution at your lower tax rate without any penalties.

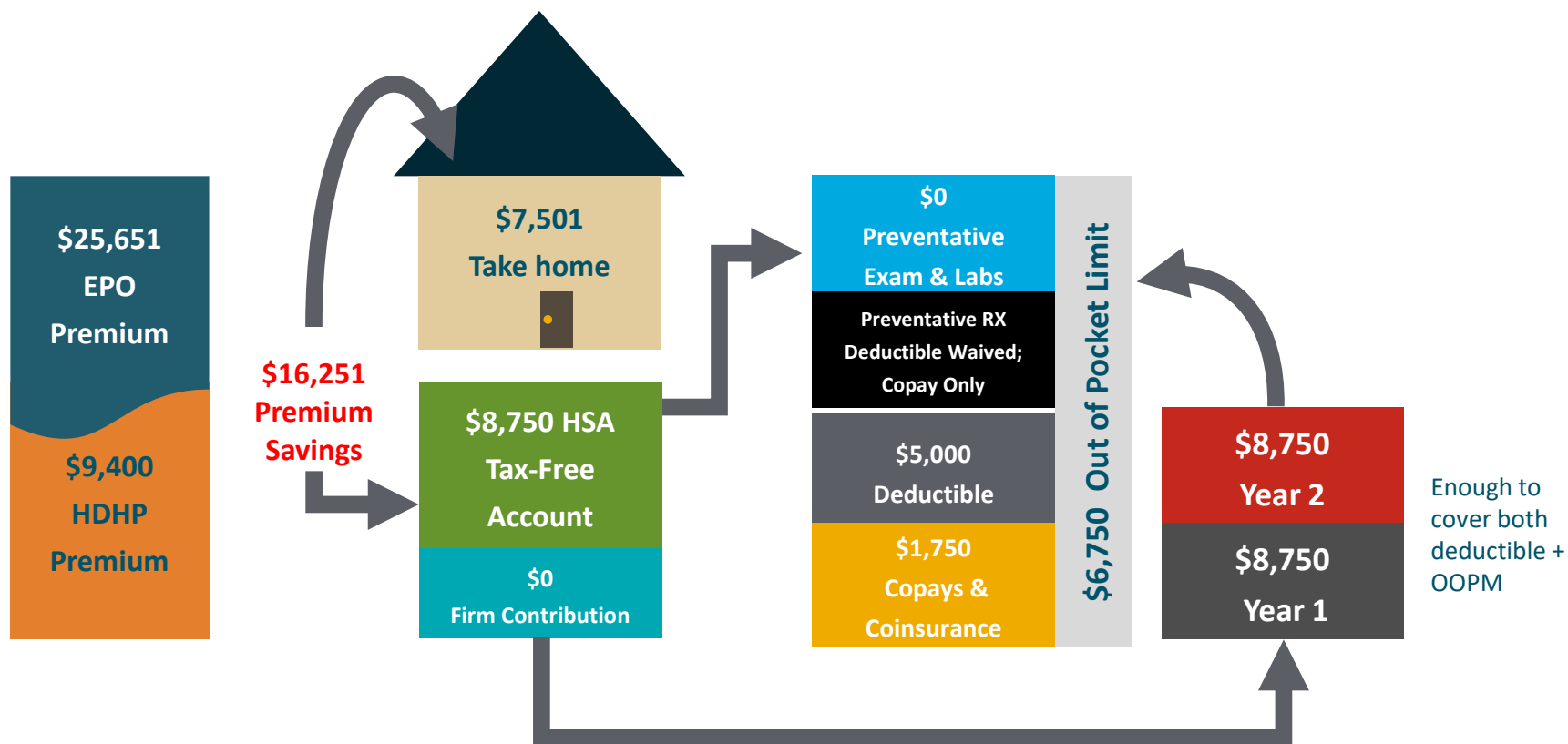
MANATT'S HEALTH SAVINGS ACCOUNT CONTRIBUTION

Manatt will make contributions towards your HSA account to assist with the up-front costs (deductible) contained in the HDHP plan.

Eligibility	Must be enrolled in Manatt's High Deductible Health Plan to be eligible	
	Participant in Benefits Contribution Tiers 1, 2, 3 and 4 (Base Salary Below \$220,000)	
Coverage Amount	Employee Only	\$41.66 semimonthly contribution (\$1,000 total in a 12-month plan year)
	Employee +1 or More	\$83.33 semimonthly contribution (\$2,000 total in a 12 month plan year)

HDHP & HSA Cost Savings Alternative Example: For Employee in Tier 5

Tier 5 - EE + Family Coverage (In-Network Utilization)



#1 Save on Premiums

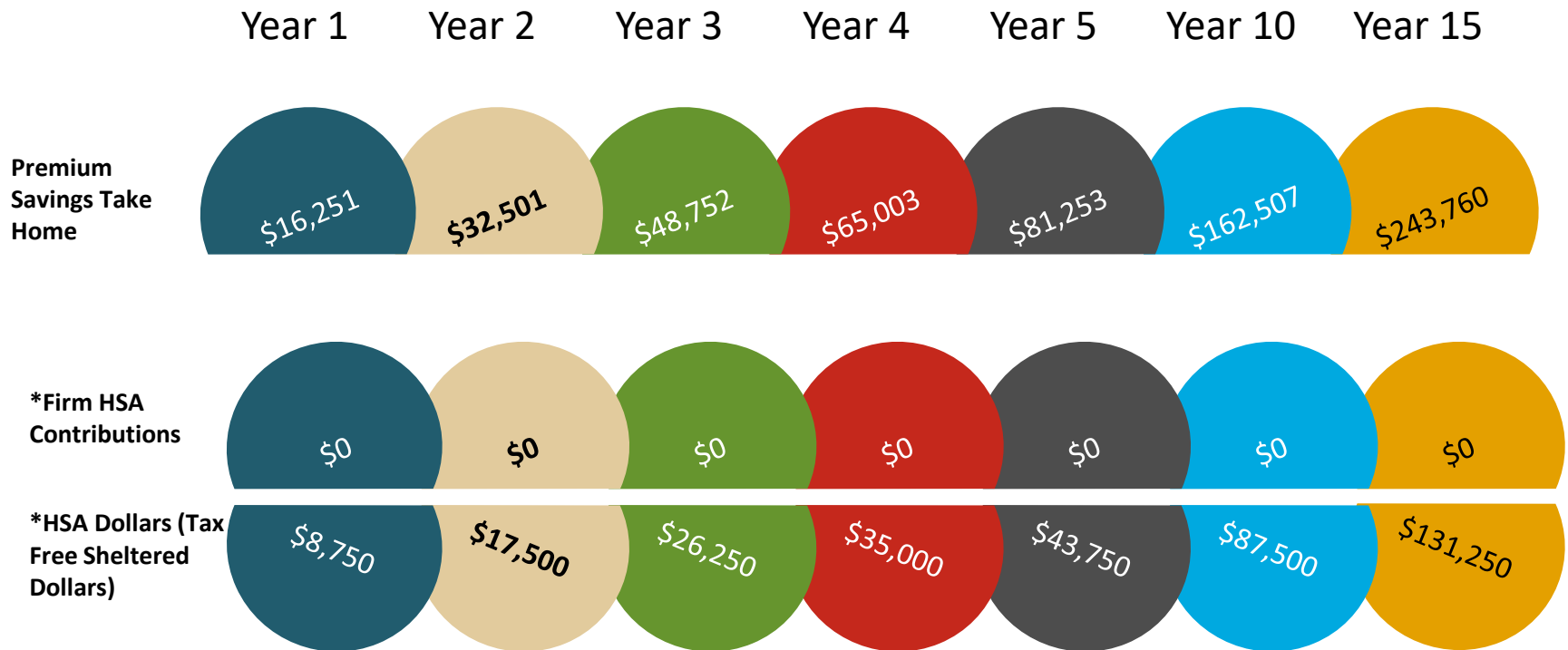
#2 Tax shelter dollar and use for potential Deductibles & Coinsurance

#3 How medical plan and out of pockets costs work

#4 How HSA dollars accumulate & work for YOU

HDHP + HSA – Work Together to Save You Money

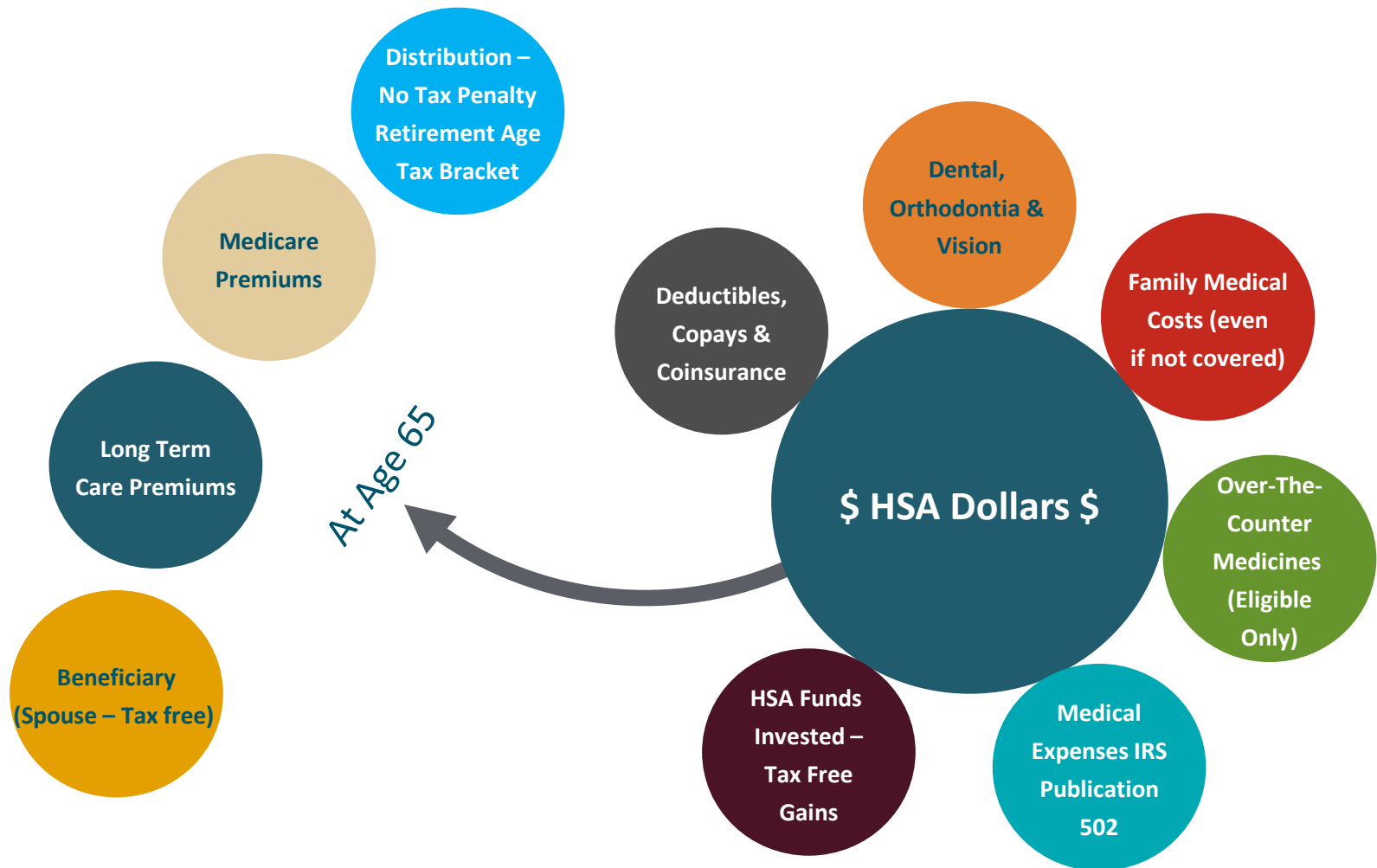
Contribution Tier 5 – Accumulative Premium Savings & Tax Sheltered Dollars



Assumes no changes to rates and contributions

*Your HSA contribution and Firm HSA contribution are subject to state taxes in California & New Jersey.

Health Savings Accounts – Multiple Advantages



Important to Know About
High Deductible Health Plan
&
Health Savings Account

High Deductible Health Plan (“HDHP”) & Health Savings Account (“HSA”)

Important to know about the HDHP Plan

- HDHP has In-Network and Out-of-Network coverage. We recommend you stay In-Network to save on out-of-pocket costs.
- Deductibles, copays, coinsurance all apply towards your Out-of-Pocket Maximum.
- Deductibles and Out of Pocket Maximums reset at the beginning of the **calendar year**, not the plan year.
- In-Network and Out-of-Network are integrated for Deductible and Out-of-Pocket Maximums.
- Make sure to submit claims on a timely basis to ensure proper deductible and payment limit credits.
- Negotiate doctor’s fees – most will reduce cost.

Am I Eligible for a Health Savings Account?

In order to open a Health Savings Account

- You must participate in a HSA-qualified High Deductible Health Plan
- You must have no other health coverage other than an HSA-qualified plan (No other 1st dollar medical coverage)
- You may not be enrolled in Medicare
- You may not be claimed as a dependent on a tax return
- You or your spouse cannot be enrolled in a Flexible Spending Account (FSA) or a Health Reimbursement Arrangement (HRA). Spouse being enrolled in one of these accounts makes you eligible for their accounts which disqualifies you from participating in HSA.
- You may not have not received VA benefits within the last three months.

Important to Know if You Open a Health Savings Account

Keep the following in mind as you open your HSA account.

- You are the fiduciary of your HSA account. You may be audited by the IRS. Keep all your medical records and receipts in order.
- Only medical expenses incurred **AFTER** the date your HSA account was **OPENED** (*not eligibility to participate in HSA*) are eligible for reimbursement from your HSA account.
- HSA reimbursements are limited to the amount that is available in your account.
- HSAs have flexible funding options. Make semi-monthly or lump-sum contributions. On a monthly basis: start, increase or stop contributions.
- If you became eligible for HSA mid-year, you may make the full year contribution **ONLY** if you plan on participating in HDHP plan the entire following calendar year. If not, you will be subject to penalties.

Important to Know if You Open a Health Savings Account

Keep the following in mind as you open your HSA account.

- If your spouse has an active FSA account, you are not eligible to open or make HSA contributions.
- You may open HSA account once your spouse FSA plan year ends and the FSA account has been depleted to zero balance.
- Employees age 65 and older may contribute to an HSA as long as you are not enrolled in Medicare Part A, Part B or Part D.
- If you will be turning age 65 this year and are contributing to your HSA, your total contribution may need to be prorated. Please contact HR-Benefits.

Using Your Health Savings Account (HSA Plan)

Age 65 or Older – Medicare Eligible Important to Note

- Being on Medicare renders you not eligible for HSA.
- If you enroll in any part of Medicare (even Part A) or start taking Social Security benefits, you may not contribute to your HSA as of your Medicare start date.
- Part A enrollment is retroactive to 6 months (but not earlier than your birthday month), so keep in mind when forecasting your “Medicare Start Date”.
- If you become HSA-ineligible, you may continue to use the money in your HSA account to pay for eligible medical expenses.
- Your HSA account can be used to pay for some Medicare related premiums.



Next Steps

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- Log into **Manatt Workday Portal** and elect the High Deductible Health Plan and your HSA pre-tax election.
- A Benefits representative will forward you instructions on how to open your Health Savings Account through WEX's website.
- After you open your HSA, WEX will send you a debit card for making direct purchases from your HSA. If you already have a WEX VISA card, your HSA contributions will be loaded into an "HSA" partition of the *same card*.
- You also have the option to log on to your account at WEX and request distribution of your own HSA funds once you have a balance available.

Questions?

Human Resources

- Human Resources Benefits team is available to answer your questions and help you with the enrollment process.
- If you have questions or need assistance E-mail the benefits team at Benefits@Manatt.com.