

Health Savings Account Contributions & Distributions



Contributions

Your Johnson Financial Group Health Savings Account (HSA) may be funded by you (the account owner), a family member, your employer or anyone else who chooses to contribute on your behalf. Total contributions are limited to the maximum allowed by law. Contributions can be made simply by making a deposit at a branch, through direct deposit/payroll deduction or transferring money from another account.

Account Owner or Family Member Contributions

As the account owner, you are responsible for making sure contributions made to the account do not exceed the annual limits. The contributions you and/or your family members make may be claimed as a deduction on your federal tax return regardless of income, tax filing status, employment status or whether or not you itemize tax deductions.

Employer Pre-Tax Contributions

Contributions by your employer are not included in your taxable income and are not deductible on your federal tax return, but will count toward your annual contribution limits.

Excess Contributions

As the account owner, you are responsible for removing all excess contributions and applicable interest earned prior to April 15 or the tax return due date if different (including extensions) to avoid tax penalties and/or IRS fees, regardless of who made the contribution.

CONTRIBUTION LIMITS¹

Tax Year	Contribution - Limited to the Amount Set by Law		Add Catch-Up Contribution Available for Ages 55 or Older	Maximum Contribution Limit with Catch-Up Contribution for Ages 55 or Older	
	Self-Only	Family		Self-Only	Family
2026	\$4,400	\$8,750	\$1,000	\$5,400	\$9,750

Important Tax Considerations for Contribution Reporting^{1 2}

- Contributions must be reported on your income tax returns.
- Johnson Financial Group and your employer will mail the proper tax forms for your tax reporting purposes.
- Annual contributions may be made until the tax-filing deadline, generally April 15 - excluding extensions, of the following year.

See back for legal and compliance disclosures.

JohnsonFinancialGroup.com



Distributions

Unlimited, tax-free withdrawals from your Health Savings Account (HSA) may be made to pay for qualified, out-of-pocket medical expenses as they occur. It's easy to make withdrawals from your account by using your Johnson Financial Group Health Savings debit card. There is no limit to the number of withdrawals that can be made. Funds must be available in your HSA before withdrawals are made. As custodian, Johnson Financial Group will report your annual prior-year distributions by sending you the necessary tax forms in January. As an HSA owner, you must report your activity annually on your federal tax return.¹

What are Qualified Medical (Out-of-Pocket) Expenses?

HSA funds can also be used to purchase long-term care insurance and to pay health insurance premiums during any period of unemployment.³ Please be aware there is an IRS penalty if you use your HSA funds for non-qualified medical expenses. Regular income tax may also apply to those non-qualified HSA funds. For more detailed information on what is considered a qualified or non-qualified expense, visit [irs.gov](https://www.irs.gov) for the current version of publication 502.

Important Tax Considerations for Distribution Reporting^{1 2}

- An HSA is generally exempt from income taxes however, distributions must be reported annually on your tax return.
- Distributions are permitted from the account at any time. The money is only considered tax-free if it is used for qualified medical purposes.
- Johnson Financial Group will mail the appropriate tax forms to you for tax reporting purposes.
- Balances accumulate tax-free year-after-year.
- A penalty will apply when funds are used for non-qualified medical expenses.

Products and services offered by Johnson Bank, Member FDIC, a Johnson Financial Group company.

¹ Limits subject to change.

² This summary is provided for information purposes only, is drawn from public sources, and is believed to be correct at the time of publication. The information is not intended to provide legal or tax advice, or advice for any specific fact, situation or circumstance. Contact the Internal Revenue Service, your legal counsel or tax advisor for specific advice.

³ Subject to some limitations.

REV 10.25



Let's start a conversation

For additional information, please contact your advisor or visit JohnsonFinancialGroup.com/HSA-Accounts.

