



# Health Savings Account (HSA)

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If you enroll in the Cigna High Deductible Health Plan (HDHP), you may be eligible to open a Health Savings Account (HSA) through HSA Bank through Cigna to help pay for eligible health care expenses not covered under your medical, dental or vision plan. An HSA makes it easier to pay for current health care costs and save for future health care needs now or into retirement.

An HSA offers the opportunity for you to set aside tax-free\* money to pay for out-of-pocket health care expenses. Since the HSA is your bank account, the unused funds roll over year to year. If you leave the company, the account goes with you. HSAs are also a great retirement savings account. You can contribute up to the annual IRS maximums (including the age 55+ catch-up contributions) with pre-tax dollars to pay for health care after you retire.

Palantir will contribute to your HSA twice a month. In other words, Palantir's full annual contribution will not be available to you at the beginning of the year; rather their contributions will accrue over the course of a year. All contributions (including the amount Palantir contributes) to the HSA must not exceed the maximums set by the IRS each year.

Coverage Type	2024 Maximum Contribution Limit	2024 Palantir HSA Contribution	2024 Max
Individual Coverage	\$4,150	\$1,200 (\$100/month)	\$2,950
Individual + Partner	\$8,300	\$2,400 (\$200/month)	\$5,900
Individual + Kids	\$8,300	\$3,600 (\$300/month)	\$4,700
Family Coverage		Additional \$1,000	
Age 55+ Catch-up Contribution			

## How do I get the employer contribution?

You must first open an HSA to be eligible for employer contributions. Palantir will automatically contribute to your HSA twice a month. Company contributions will be added and accrue over the course of the year. In 2024, Palantir will deposit up to

\$1,200 annually for individual coverage, up to \$2,400 for individual + partner or individual + kids, and up to \$3,600 annually for family coverage. Palantir's contributions to the HSA are pro-rated based on your effective date on the HSA.

### **If an employee covers their domestic partner through the Cigna HDHP, what is the annual contribution limit?**

Since the employee is enrolled in a dependent tier of the plan, they can contribute up to the IRS family maximum for their HSA (\$8,300 in 2024). Domestic partners, however, are not recognized by the IRS as qualifying dependents for HSAs, so employees cannot spend their HSA dollars towards their domestic partner's medical expenses.

### **How do I get reimbursed?**

When you enroll in an HSA, you will receive an HSA Bank through Cigna debit card to pay for eligible expenses. You can also submit claims online through your own personal account at [mycigna.com](http://mycigna.com).

### **Learn more about the HSA and how it works**

## **Important Notes**

- The HDHP has what is called an “aggregate” family deductible and family out-of-pocket maximum. This means that if you cover any dependents, your family must pay the total family deductible (not just the individual deductible) before the plan begins to share costs with you. You must also meet the total family out-of-pocket maximum before the plan pays 100% percent of covered services.
- You can contribute to a health savings account only if you are enrolled in a qualified HDHP. You cannot be covered under any other medical plan, including your spouse’s plan.
- If you have an HSA, you cannot be enrolled in a general-purpose health care flexible spending account(including coverage under your spouse’s flexible spending account). You can only have a “limited use”spending account, which only allows for preventive care, dental and vision reimbursement.

## **Are HSAs Really Tax-free?**

HSAs give you a triple tax advantage: your contributions to the HSA are not taxed, payment of qualified expenses is tax-free, and earnings are tax-free.\*

Keep in mind, there are a few important rules you need to follow. If you use your HSA funds for expenses the IRS considers eligible, the money remains tax-free.\* If you use funds for ineligible expenses, you will pay applicable taxes and an excise tax penalty (currently 20%).

### **What about the fine print?**

- You must be enrolled in a qualified HDHP.
- You cannot be covered under another non-qualified health plan, including your spouse's Health Care Flexible Spending Account.
- You cannot be enrolled in Medicare or Tricare.
- You cannot be claimed as a dependent on someone else's tax return.

Questions? Refer to IRS Publication 969 for complete rules.

\*State taxes may still apply in CA and NJ. For detailed tax implications of an HSA, please contact your professional tax advisor.

### **FAQ - How to Transition from Collective Health to Cigna HSA Bank Health Savings Account (HSA)**

#### **I have an HSA with HealthEquity. What happens to my account?**

HSA Bank through Cigna will be our new administrator effective 1/1/2024. You have two options for your current HealthEquity HSA.

- You can continue to keep your HealthEquity HSA but will be responsible for a **\$3.95** monthly account fee that will be automatically deducted from your balance starting January 2024. You can continue to use your HealthEquity HSA to get reimbursed for eligible expenses.
- You can close your HealthEquity HSA and transfer it to your new Cigna/HSA Bank account that will be opened for you. Palantir will facilitate a group transfer for all Palantirians who elect to do this. You must complete the consent form in Workday by 1/16/2024 in order to have your account balance transferred. The \$25 HealthEquity account closure fee will be paid by Palantir. If you don't transfer your account during this group transfer, you can still initiate an individual transfer at a later date. However, you will incur a \$25 HealthEquity account closure fee.

#### **When will I have access to the funds from my HealthEquity HSA if I participate in the group transfer to Cigna/HSA Bank?**

There will be a black out period during the group transfer where your HealthEquity HSA will close and those funds will be moved to your new Cigna/HSA Bank account. The black out period will be two weeks from January 30 through February 10, 2024. During this time, you can hold on to your expenses and get reimbursement once your account funds are available after February 10. Keep in mind that Palantir makes a contribution to your HSA if you are enrolled in the Cigna HDHP for 2024. Palantir's contribution is made twice a month so you will have funds in your account during the black out period – you just won't have access to your HealthEquity funds.