

Comparing Pretax Accounts for Health Care Expenses

Tax savings opportunities to plan and save for health care expenses

Your choice of medical plan determines your eligibility for participating in a tax-advantaged account to help you save for out-of-pocket health expenses. Before choosing your medical plan, use the chart below to determine which account is your best fit.

Plans and Features	Health Savings Account (HSA)	Health Care Flexible Spending Account (FSA)
Eligibility	You are eligible to open an HSA only if you choose the Consumer Choice Plan and are not covered by any other medical plan.	You are eligible to contribute to this account if you choose the Point of Service Plan, the In-Network Only Plan, an HMO , or decline coverage.
Employee Contribution Maximums	At enrollment, elect your annual pretax HSA contributions. Total company and employee contributions allowed for 2024: <ul style="list-style-type: none">\$4,150 employee only coverage\$8,300 family coverage Age 55 and older catch-up contribution: \$1,000 Open your HSA directly and manage your savings with Fidelity: netbenefits.com/bms	At enrollment, elect your annual pretax contribution up to \$2,500. You cannot change the amount of your contributions during the year, even in the case of an eligible change in status.
Company Contributions	After opening your Fidelity HSA , BMS automatically contributes to your account as early as January: <ul style="list-style-type: none">\$350 employee only coverage\$700 family coverage To incent and reward wellness activities, BMS contributes to your HSA on a quarterly basis,** up to: <ul style="list-style-type: none">\$400 annually for employee only coverage\$800 annually for family coverage (maximum: \$400/individual; \$800/family)	Not eligible

* BMS automatic contributions are prorated based on the date you join the plan.

** Maximum quarterly individual award per eligible individual of \$100

(Continued on next page)

Plans and Features	Health Savings Account (HSA)	Health Care Flexible Spending Account (FSA)
Covered Expenses	Use to pay for current and future covered out-of-pocket health care expenses, including: <ul style="list-style-type: none">• Deductibles• Coinsurance• Prescription drug costs• Covered out-of-pocket dental and vision expenses Certain over-the-counter items, medications, and treatments	Use to pay for current year’s covered out-of-pocket health care expenses, including: <ul style="list-style-type: none">• Deductibles• Coinsurance• Prescription drug costs• Covered out-of-pocket dental and vision expenses Certain over-the-counter items, medications, and treatments
Availability of Contributions	Your unspent balance is available to use for qualified expenses, regardless of the year in which you made the contributions. Eligible expenses must be incurred after you open your HSA. You can contribute to—and invest—your HSA to grow balances year over year.	Your pretax account is accessible only for covered out-of-pocket health care expenses and contributions made in the same year and while you are participating.
How It Works	You can pay for expenses at time of service or reimburse yourself later for eligible expenses incurred by you, your spouse, and/or dependent children. You are responsible for ensuring that expenses are eligible for payment from an HSA.	Eligible expenses include medical expenses incurred by you, your spouse, and/or dependent children. Eligible dependents do not have to be enrolled in a BMS medical plan, as long as you claim them on your federal tax return.
Paying Expenses	Pay for eligible health expenses with a debit card tied to your account. You can also pay expenses from your account by check or direct payment to a provider. No documentation is required to be submitted for reimbursement of expenses.	You must first pay the eligible expenses and then submit a claim for reimbursement to UHC, which administers the Flexible Spending Accounts. Be sure to include proof of expenses with all claims.
End of Year Balances	At the end of every year , your account balance and related investment earnings will roll over to the following year. Your account is portable and is yours to keep even after you leave BMS.	You must use or forfeit the remaining account balance at the end of year. This is the “use it or lose it” rule. All claims for eligible 2024 expenses must be submitted to UHC by April 30, 2025.



Take note for Health Savings Account Eligibility

Due to IRS rules, there are times when you or a family member cannot benefit from a Health Savings Account, and the Point of Service Plan, In-Network Only Plan or an HMO can be a better option.

Employees who may be restricted from full HSA participation:

- Employees or dependents who participate in a government plan such as Medicare, Medicaid, or TRICARE

- Employees who participate in another health plan, such as that of a spouse's employer, including participation in a General Purpose Health Care Flexible Spending Account (FSA)
- Domestic partners who are unable to benefit from pretax advantages associated with employee benefit plans

If any of these situations apply to you or if you are not certain about limitations imposed on Health Savings Account participation, consult your tax advisor.