



2021 Benefits

Getting to Know the Choice Saver HSA

At Genesis Energy, we want to make sure you receive the health care, medical treatment and prescription drugs you need for yourself and your family. This includes preventive care, doctor's visits, lab work, hospitalization, surgery and more. Whatever your medical needs, the Genesis Energy health plan has you covered.*

You have the choice to enroll in the Choice Plus PPO or to enroll in the new Choice Saver HSA plan. Both plans will have in-network and out-of-network benefit coverage and will be administered by Blue Cross and Blue Shield of Texas. The Choice Saver HSA offers a High Deductible Health Plan (HDHP) coupled with a Health Savings Account (HSA).

Before making a decision on which plan best meets the needs of you and your family, review all available information to make an educated decision. Remember, the choice is yours!

Choice Saver HSA Advantage

What is an HDHP?

A High Deductible Health Plan (HDHP) is a health plan that combines a Health Savings Account (HSA) with traditional medical coverage. It provides insurance coverage and a tax-advantaged way to help save for future medical expenses. The HDHP with HSA gives you greater flexibility and control over how you use your health care dollars.

Why the Choice Saver HSA?

When you enroll in the Choice Saver HSA you'll be eligible for a bonus feature—a Health Savings Account (HSA). An HSA is like a 401(k) for health care. HSAs are tax-advantaged accounts that accumulate interest and can earn investment returns. The funds can be used to pay for qualified medical expenses today or can be saved for future expenses. It is owned by you, is 100% vested as funds accumulate, and lets you build up savings for future needs.



Genesis Energy will help fund your HSA when you enroll in the Choice Saver HSA option based on your coverage level; \$500 for individual and \$1,000 for family coverage.

Highlights of the Choice Saver HSA

- ✓ You can use any doctor or hospital, but you'll pay less when you use in-network providers.
- ✓ After meeting your deductible, the plan will pay 80% of your qualified, in-network medical expenses.
- ✓ In-network preventive care is covered at 100% (you don't have to pay anything).
- ✓ Once you reach the out-of-pocket maximum, the plan pays 100% of qualified expenses for the rest of the plan year.
- ✓ The plan comes with a Health Savings Account (HSA) to help pay for qualified expenses and your annual deductible if you choose to use it.

Three Main Parts to the Choice Saver HSA

- 1 Annual deductible:** Amount you pay before the medical plan pays a share of your medical and prescription expenses.
- 2 HSA:** An account to which Genesis Energy and you contribute to help pay for qualified expenses and meet your deductible (if you wish to use it).
- 3 Annual out-of-pocket maximum:** Your annual safety net. If an unexpected expense arises, or you just end up spending more than you planned in a given year, the out-of-pocket maximum is the most you will have to pay before the plan pays for 100% of all qualified expenses for the remainder of the plan year.

How the Choice Saver HSA Works

- STEP 1**
Your Deductible – You pay for all services until you reach the annual deductible.
 - You pay 100% of the cost for covered services (medical and pharmacy) until you reach the annual deductible.
 - You pay for services with your HSA. Or, you can pay out-of-pocket.
 - Preventive care is covered at 100% when you use a network doctor.
 - For 2021, the deductible is **\$2,000** for individual coverage and **\$4,000** for family.
- STEP 2**
Your Coinsurance – You and the plan share the cost of services.
 - Coinsurance is when you and the plan share the cost of covered services.
 - The plan will pay **80%** of the cost of your qualified, in-network medical services and you will be responsible for **20%** after you reach the in-network, annual deductible before you reach the out-of-pocket maximum.
 - You can pay your portion using your HSA. Or, you can pay out-of-pocket.
- STEP 3**
Your Out-of-pocket Maximum – You are done paying.
 - When your deductible and coinsurance amounts reach this limit, you are done paying for the plan year.
 - For 2021, the in-network, out-of-pocket maximum is \$4,000 for individual coverage and \$7,000 for family coverage (inclusive of deductible).
 - Any remaining dollars in your HSA are yours.



Preventive care is covered 100% when you use a network doctor.

About Your Health Savings Account (HSA)

An HSA is an individual account used in conjunction with the Choice Saver HSA to cover qualified out-of-pocket medical expenses on a tax-advantaged basis. Your HSA belongs entirely to you and can be used to pay for both current and future qualified medical expenses for you and your eligible dependents. You can contribute to your account, withdraw contributions to pay for current qualified medical expenses, and potentially grow your account on a tax-free basis by investing your savings in a wide array of investment options.

Your HSA allows you to pay for qualified health care expenses, including your deductible, with tax-free dollars that you set aside each pay period. Genesis Energy will contribute \$500 for individual coverage and \$1,000 for family coverage to your account.

An HSA is one of the few savings vehicles that offers a triple tax advantage:

- 1 Tax-free contributions:** You can make contributions to your HSA on a pre-tax basis to supplement Genesis Energy's contribution. This lowers your taxable income. Genesis Energy's contribution is tax-free to you, too.
- 2 Tax-free earnings:** Your HSA grows tax-free. When you open your Fidelity HSA, a brokerage account, you can choose to invest in a wide variety of investment options depending on your investment objective, time horizon, and risk tolerance. Any interest or investment earnings on your account are not taxed.
- 3 Tax-free distributions for qualified expenses:** You do not pay taxes on money you withdraw, provided you spend that money on eligible health care expenses.

Note: Money in an HSA grows tax-free and can be withdrawn tax-free as long as it is used to pay for qualified health-related expenses (a list of qualified expenses can be found in *IRS Publication 502*, available at www.irs.gov). If money is used for unqualified expenses, you will pay ordinary income tax on the amount withdrawn, plus a 20% penalty tax if you withdraw the money before age 65. After age 65, you can withdraw the money for any purpose with no penalty, but would still pay ordinary income tax.

To qualify for an HSA:

- You **must** be enrolled in a qualified HDHP (The Choice Saver HSA is a qualified HDHP).
- You **cannot** be covered by other health insurance.
- You **cannot** be claimed as a dependent on someone else's tax return.
- You **cannot** be enrolled in Medicare.

Genesis Energy Contributes, too!

Genesis Energy will contribute to your Health Savings Account (HSA) to help you cover your out-of-pocket expenses (\$500 for individual coverage / \$1,000 for family coverage). In addition, you can contribute your own money through pre-tax deductions from your paycheck, which will help you save on taxes and plan ahead for health care expenses. Any unused money at the end of the plan year carries over to the following plan year. You will never forfeit your balance—even if you leave the Company or retire.



Why you should consider an HSA

This combination may offer some tax and savings advantages over traditional health care plan options—no matter if you're a low, medium, or high user of health care services.

Control. You determine how much to contribute (up to your maximum annual contribution limit per IRS rules), when and how to invest your contributions, and whether to take an HSA distribution to pay for current qualified medical expenses, or let your contributions stay invested for future growth potential.

Tax savings. When used for qualified medical expenses, HSAs offer a triple tax savings—contributions, investment earnings, and distributions are tax-free.

Growth potential. You have the opportunity to invest your contributions in a wide array of investment options—including stocks, bonds, and mutual funds—for potential growth of your account over time.

Flexibility. Any unused balance in your account will automatically carry over from year-to-year so you can begin to build your savings for future qualified medical expenses.

Portability. Your HSA belongs to you, even if you change jobs or become unemployed, change your medical coverage, move to another state, or change your marital status.

Questions? Visit hr.genesisenergy.com for more information.

How Much To Contribute To Your HSA

Deciding how much to contribute to your HSA is a personal decision. Consider the following:

The annual limit under the Internal Revenue Code. In 2021, you can contribute a maximum of \$3,600 for individual coverage or \$7,200 for family coverage, including any amount contributed by Genesis Energy. If you will be age 55 or older in 2021, you can make an additional contribution of \$1,000.

Your annual deductible. You may want to have enough money set aside in your HSA to meet your annual deductible amount (\$2,000 individual / \$4,000 family for in-network providers). Keep in mind that Genesis Energy contributes \$500 for individual coverage and \$1,000 for family coverage (prorated in compliance with IRS regulations based on entry date into the plan). The Company's contribution can help you pay your initial out-of-pocket expenses before reaching your deductible.

Your premium savings. Compare how much you would have spent in premiums for the Choice Plus PPO to the premiums required for the Choice Saver HSA. Then, consider contributing the difference into your HSA, up to the maximum contribution limit.

Your account balance. Check your account balance throughout the year. You can only spend HSA dollars that have already been deposited into your account. You can increase or decrease your contribution amount throughout the year with changes effective the first pay period of the following month.

Your future health care expenses. HSA contributions roll over year after year. The money in your HSA is always yours to keep—even if you leave the Company or retire. If you don't need to use your HSA funds now, consider saving for future health care expenses by contributing to your HSA to take advantage of income tax savings.

Get All the Facts



IRS *Publication 969*, available online at www.irs.gov, is specific to the HSA and other tax-advantaged accounts. It contains detailed information about HSA qualifications, contributions and distributions and explains how your HSA contributions will affect your tax return.

Tax Rules to Keep in Mind

Don't contribute more than the annual IRS limit. If your contributions exceed the IRS limit, the excess amount will be subject to standard income tax rates plus a 6% penalty.

Save your receipts in case of an IRS audit. You're responsible for providing substantiation that proves that you used your HSA for qualified health-related expenses. If you use your HSA funds for expenses other than qualified health-related expenses, you will owe taxes on the withdrawal, as well as a 20% penalty tax on those funds (tax penalty not applicable when age 65+). If you use an outside credit card or personal cash to pay for an expense, you can use your HSA to reimburse yourself, but make sure to keep the receipt as proof.

Disclose all HSA contributions and withdrawals on your taxes. You'll need to submit Form 8889 along with your tax return. Fidelity Investments will provide information on HSA contributions and disbursements that you can use when filling out the form. In addition, your Form W-2 will display the total amount Genesis Energy contributed to your HSA.

Pay for expenses now and in the future — even during retirement

Your unspent HSA dollars carry over year after year and stay with you even if you leave the Company or retire. This means you can use accumulated funds in your HSA to pay for qualified expenses over time, including during retirement. And don't forget, not only does your HSA balance earn interest, you have the option to invest and further grow your balance tax-free. Note: growth based on investment options is not guaranteed.

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Using Your HSA

You can choose to pay your health care expenses from your HSA or from your personal savings or checking account. Since your HSA rolls over year after year, paying out-of-pocket today lets you save money in your HSA for future expenses.

By electing the Choice Saver HSA, you are automatically eligible to open and contribute to an HSA. **However, you may also be eligible to enroll in a Limited Purpose Health Care Flexible Spending Account (FSA).** The chart below details the similarities and differences between these accounts so take a look to see what makes sense for you and your family before you enroll. If you enroll in the Choice Saver HSA and open an HSA, you may not need the Limited Purpose Health Care FSA.

If you don't enroll in the Choice Saver HSA, you may be eligible for the General Purpose (not Limited) FSA. See the FSA section of the 2021 Benefits Guide for more information.

Check
Your HSA
Before
You Pay



Before you try to use your HSA to pay for a qualified expense, be sure you have funds in the account. This is especially critical at the beginning of the year, when your contributions are just beginning to accumulate.

Account Feature	Health Savings Account (HSA)	Limited Purpose Health Care Flexible Spending Account (FSA)
What can I pay for with this account?	Use this account to pay for qualified medical, dental and vision expenses. This includes copays and coinsurance.	Use this account to pay only for qualified dental and vision expenses.
Who can enroll?	Employees enrolled in the Choice Saver HSA.	Employees enrolled in the Choice Saver HSA.
Who can contribute?	Employees can contribute through pre-tax payroll deductions. Genesis Energy will contribute \$500 individual and \$1,000 family.	Employees can contribute to this account through pre-tax payroll deductions.
What is the annual contribution limit?	Individual: \$3,600 / Family: \$7,200 For those over age 55, an additional \$1,000 may be contributed.	\$2,750
Does the money in the account roll over year after year?	Yes	No. Unused funds will be forfeited if not used by March 15 following the plan year.
If I leave the Company, do I keep the account?	Yes	No
Does the money in the account earn interest?	Yes. You can invest your HSA dollars while at Fidelity.	No
Does this account save me money on taxes?	Yes. Your contributions are deducted pretax, the account earns interest tax-free and withdrawals are tax-free if used for qualified medical expenses.	Yes. Your contributions are deducted pre-tax.



Get All the Facts

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