Understanding Excess Credits and Health Savings Accounts (HSAs)

TRIUMPH provides a contribution toward the cost of every medical plan offered. This contribution, known as a "medical credit," varies based on your income, the coverage tier you select, and the region of the country in which you live. Employees with higher earnings receive a smaller credit with larger credits being provided for employees with lower earnings.

Excess Credits

In some cases, the medical credit provided by TRIUMPH is greater than the full premium for the medical plan selected. In these cases, the extra credits are called Excess Credits, and TRIUMPH will deposit these Excess Credits (up to an annual maximum of $500 for EE Only Coverage and $1,000 for EE + Dependent Coverage) into your Health Savings Account (HSA)—only if you enroll in a **Bronze or Bronze Plus** medical option. Government rules only allow HSAs with higher deductible plans like the Bronze Plan or the Bronze Plus Plan, so Excess Credits do not apply if you select the Silver Plan or the Gold Plan.

Excess Credits are an important part of the value TRIUMPH provides to help fund the cost of medical benefits for employees and their families. You can see which of your medical plan options come with Excess Credits when you use the **TRIUMPH Group Benefits Center** website to enroll in your benefits.

Health Savings Account (HSA)

An HSA is a type of personal savings account that provides you with tax advantages. It can be used to pay for current or future qualified health care expenses.

An HSA account is the key to making a higher deductible plan such as Bronze or Bronze Plus work within your budget. Any Excess Credits you receive from TRIUMPH will be deposited to this account and, if you add to your HSA account by contributing all or part of the premium savings you get by choosing a lower cost Bronze or Bronze Plus plan, you will have funds available to help cover your deductible and your ongoing health care costs.

Some of the advantages to having an HSA include:

- Your contributions are tax-free, reducing your taxable income
- You can use your HSA to pay for qualified health care expenses on a tax-free basis
- Unused funds roll over every year and can be invested for growth
- HSAs are portable. Your money stays with you even if you switch jobs, change medical coverage, or retire
- You can change your contributions at any time once you are enrolled
- You can use your HSA to reimburse yourself for qualified expenses you pay on your own
- Your HSA comes with a debit card, so accessing your money to pay expenses is easy

There are also a few important things to bear in mind when using an HSA:

- Funds are only available AFTER they have been contributed to your account—just as with a normal savings account, you can't spend money that you haven't saved yet. However, providers will frequently work with you on a payment plan and wait for their fees until sufficient funds from your contributions and TRIUMPH's contributions post to your HSA. Even if your provider isn't that flexible, you can reimburse yourself later (on a tax-free basis) for payments you make to a provider from your own funds while you wait for enough contributions to accumulate in your HSA.
- You can only spend the money in the account on a tax-free basis for qualified health care expenses such as medication, a visit to your primary physician, a visit to your dentist, hospital charges, etc. Visit **irs.gov** for more information on qualified HSA expenses.

Once enrolled you can access and manage your account by contacting the **TRIUMPH Group Benefits Center** online at digital.alight.com/triumphgroup or by calling **(833) 885-5653**

Monday – Friday
8:00 a.m. to 5:00 p.m. Central Time

Learn more by accessing the **HSA User's Guide** on the **Make It Yours** website.

An Example of How Excess Credits and Your HSA Can Help You Manage Your Out-of-Pocket Medical Expenses

Let's look at a sample employee, John, to see how an HSA coupled with Excess Credits can make budgeting and paying for unexpected costs much easier. John's basic information is shown in the bullets below.

- John lives in Connecticut
- He is in the $50,000 to $100,000 pay tier
- He will cover himself and his family under the TRIUMPH medical plan
- He has qualified for the full TRIUMPH wellness credit

John is thinking about enrolling in the Silver Plan for 2025 because he likes the lower deductible and is concerned about paying for unexpected out-of-pocket medical costs. On the other hand, John knows that the Bronze Plan comes with a lower premium and TRIUMPH funded Excess Credits, but he is really concerned about the higher deductible and the possibility of large out-of-pocket medical costs.

The table below shows some of the key figures John will need to consider if he wants to compare the Silver Plan to the Bronze Plan for 2025.

	2025 BRONZE PLAN (**WITH** HSA and Excess Credits)	**2025 SILVER PLAN** (**WITHOUT** HSA or Excess Credits)
John's Annual Premium	$2,962*	$9,219*
TRIUMPH Funded Excess Credits	$1,000	$0
Plan Deductible	$6,600	$2,000
Plan Coinsurance Percentage (% of cost John pays after reaching the deductible)	25%	30%
Plan In-Network Out-of-Pocket Maximum	$12,800	$10,600

*Amounts are rounded to the nearest dollar and are for low-cost carrier options.

John can save about $6,257 in premium costs if he picks the Bronze Plan ($9,219 - $2,962 = $6,257), and he can really use that extra money in his paycheck, but he's still worried about the big deductible with the Bronze Plan. He decides to take a harder look at the numbers and thinks about "splitting the difference" by contributing half of his premium savings to his HSA with the Bronze Plan and keeping half of the savings in his paycheck. John looks at his family's costs during the past couple of years and determines that his family has around $2,000 per year in medical claims in a typical year. But, it's not a typical year that John is worried about with the Bronze Plan. He is worried about a costly year. With this in mind, he decides to "run the numbers" for both plans assuming a costly year, with medical claims of $6,600 (the entire deductible under the Bronze Plan) and comes up with the following results as shown on the next page.

John decides to contribute some of his premium savings with the Bronze Plan to his HSA to help protect his budget against unexpected medical costs.

	2025 BRONZE PLAN (**WITH** HSA and Excess Credits)	2025 SILVER PLAN (**WITHOUT** HSA or Excess Credits)
John's Basic Data		
1. John's premium cost	$2,962*	$9,219*
2. John's contribution to his HSA (half of his premium savings)	$3,129	$0
3. TRIUMPH's contribution to John's HSA (Excess Credits)	$1,000	$0
4. John's family's assumed total medical expenses for the year	$6,600	$6,600
5. Assumed medical expenses above the plan deductible	$0	$4,600
Impact on John's Paycheck and His Savings for Future Medical Expenses (HSA)		
6. Total deduction from John's paycheck (1) + (2)	$6,091	$9,219
7. Total contribution to John's HSA (2) + (3)	$4,129	$0
John's Out-of-Pocket Medical Costs before Considering His HSA		
8. **John's cost before meeting the full deductible:** John pays 100% of his family's medical expenses until his family reaches the deductible	$6,600	$2,000
9. **John's cost for expenses above his deductible:** Once his family's medical expenses exceed his deductible, John's costs are based on the plan's coinsurance percentage, so John pays 25% of these costs under the Bronze Plan and 30% under the Silver Plan	$0	$1,380
10. John's total out-of-pocket expenses before considering His HSA (8) + (9)	$6,600	$3,380
John's Net Out-of-Pocket Medical Costs after Considering His HSA		
11. Out-of-pocket expenses to be paid by John after first using his HSA to cover these costs (10) – (7)	**$2,471**	**$3,380**

*Amounts are rounded to the nearest dollar and are for low-cost national carrier options.

Based on the above analysis, John sees that even under this costly scenario, his out-of-pocket medical expenses are $909 lower with the Bronze Plan ($3,380 - $2,471 = $909), plus he has another $3,128 in his paycheck ($9,219 - $6,091 = $3,128). John then went through the same process for a few other possibilities for his family's medical costs, including a more costly scenario where he hits the out-of-pocket maximum under both plans, and saw very similar results for just about every option. Based on his analysis, John feels really comfortable choosing the Bronze Plan and using some of his premium savings and his Excess Credits to cushion his budget against unexpected medical costs.

Notes: All medical costs are assumed to be in-network. Plan coverage is different for out-of-network charges. All charges are assumed to be for medical services with no prescription drug costs, which are covered differently under the Silver Plan. Deductibles for both plans are assumed to be met on a family basis.