The Consumer Directed Health Plans (CDHPs)

How They Work

The Cigna CDHP Option 1 and CDHP Option 2 offer comprehensive healthcare coverage at lower premiums and higher deductibles than traditional healthcare plans. With lower premiums to pay for coverage, you choose how to spend your healthcare dollars. You can pay for eligible services by using funds from your HSA, or you can pay for them out of your own pocket. Note: You can only use HSA funds once they are deposited in your account. You can always reimburse yourself later once you have accumulated funds in your account.

Health Savings Accounts (HSAs)

Both CDHPs feature a health savings account (HSA) that enables you to pay for current, qualified healthcare expenses and save for future expenses on a tax-free basis. You have the opportunity to set aside funds in your HSA before taxes through convenient payroll deductions.

How Your HSA Is Funded

Your Contributions

There are two ways to contribute money to your HSA:

- **Pre-tax contributions** through payroll deductions
- **After-tax cash contributions** that are deductible when you file your taxes

Company Contributions

Sunrun contributes $500 for employee-only coverage and $1,000 for family coverage annually to the HSA tied to the CDHP Option 1. These contributions are prorated per paycheck. Sunrun does **not** make annual contributions to the CDHP Option 2.

Total Annual Contribution Limit

Your total contributions, including any contributions from the company, may not exceed the IRS annual maximum of $3,650 for individual coverage and $7,300 for family coverage in 2022. Note: Individuals 55 and older may make additional "catch-up" contributions up to $1,000 each year until they enroll in Medicare.

Qualified Healthcare Expenses

HSAs enable you to pay for the following healthcare expenses on a tax-free basis:

- Qualified medical, dental and vision expenses not covered by the plans, as defined by the IRS in Publication 502, available online at **http://www.irs.gov/pub/irs-pdf/p502.pdf**
- COBRA premiums
- Qualified long-term care insurance and expenses
- Health insurance premiums when receiving unemployment compensation
- Medicare and retiree health insurance premiums (excluding Medicare Supplement and Medigap insurance premiums)

Advantages of an HSA

Triple-Tax Advantage

- **Pre-tax contributions:** You contribute pre-tax funds through payroll deductions, thus reducing your taxable income.
- **Tax-free growth:** Funds grow tax free, and unused funds roll over year to year.
- **Tax-free withdrawals:** You can withdraw funds tax free to pay for qualified healthcare expenses now and in the future—even in retirement.

Control

You control the money in your HSA. You decide how or if you want to spend it. You can use it to pay for doctor's visits, prescriptions, braces, glasses—even laser vision correction surgery.

Investment Opportunities

Once you reach and maintain a minimum cash balance threshold of $2,000, you can elect investments to help your money grow tax free.

Savings Potential

There is no "use it or lose it" rule. Your account grows over time as unused dollars roll over from year to year.

Portability

Your HSA is yours for life. The money is yours to spend or save, regardless of whether you change health plans, retire or leave the company.

For more information, visit:
www.irs.gov/pub/irs-pdf/p969.pdf