Understanding Health Savings Accounts (HSAs)

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own your health.

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HSA Bank Overview

HSA Bank is one of the nation's leading Health Savings Account (HSA) Administrators.

- 3 million members
- 8 billion total footings
- 1.8 billion in assets

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Getting Started

We give you everything you need to use, grow and manage your HSA:

- **Welcome Kit**: This valuable "starter package" contains your 8-digit account number, important disclosures and a privacy statement.
- **Debit Card**: Arrives separately from the Welcome Kit and is delivered in a plain, blank envelope for security reasons. Activation instructions are included.
- **Online Banking**: Provides 24/7 account information, including activity and balance information, electronic statements, tax documents, email notifications and electronic fund transfers.
- **Authorized Signer Form**: Lets you authorize someone who wants to access your HSA funds and information.
- **Beneficiary Designation Form**: Lets you designate a beneficiary for your HSA.

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How to use you HSA with a High Deductible Health Plan (HDHP)

Use your account to pay for current or future healthcare expenses including deductibles, co-insurance, prescriptions, vision, dental care, and more. As an added benefit, after age 65, HSA funds can be withdrawn for any purpose without penalty.

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Managing your HSA

Member Website

- Access real-time account balances, transaction history, statements, and online transfers.
- Sign up today at secure.hsabank.com/ibanking3/login.aspx

- Order checks/debit cards
- View real-time account balances
- View transaction history and statements
- View cancelled checks

- Access electronic statements and tax documents
- Receive year-to-date account information
- Transfer funds to or from a linked account

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Contribution Sources:
How to Put Money into Your HSA

You may contribute to (fund) your HSA in several ways:

Payroll Deduction: HSA Bank will facilitate recurring pre-tax payroll deductions. Contact your employer to complete the appropriate paperwork for this option.

Online Transfers: Through HSA Bank's Member Website, you can transfer funds from your external bank accounts (i.e., checking or savings accounts) to your HSA.

Personal Check or Money Order: Mail your personal check with a completed Contribution Form to HSA Bank directly at PO Box 939, Sheboygan, WI 53082.

HSA & MSA Transfer; IRA Rollover*: A once-per-lifetime transfer can also be made from an IRA; however, they are subject to the annual maximum contribution limit.

**Before initiating a transfer or rollover of any kind, please consult a qualified tax advisor to understand any conditions or risks that may apply.*

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Contribution Sources

A **Contribution Monitor** enables Member Website users to view HSA contributions in a graphical representation on the Member's homepage.

Additionally, a Contribute button will allow you to easily access the Transfers page to set-up a one-time or recurring transfer in order to meet the relevant contribution limit for the current or previous plan year.

The HDHP/HSA concept and Contribution Limits

HDHP

	2019		2020	
	Single	Family	Single	Family
Min. Deductible	$1,350	$2,700	$1,400	$2,800
Max. Out-of-Pocket*	$6,750	$13,500	$6,900	$13,800

Intended to cover serious illness or injury

HSA

	2019		2020	
Max. Contribution	Single	Family	Single	Family
	$3,500	$7,000	$3,550	$7,100
Catch-up Contribution (55+)	$1,000		$1,000	

Can pay for eligible medical expenses not covered by health plan

*Deductibles, co-payments, and other amounts (but no premiums)

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Distribution Options:
How to Pay Expenses from your HSA

Debit Card

- Up to two free cards
- To help prevent misuse of HSA funds, the debit card is only authorized at merchants that provide medical products and services

Online Transfers (through Member Website)

- Establish and verify external bank account
- One-time or recurring transfers (both incoming and outgoing transfer options)

Checks

- Checks can be ordered upon request (box of 50) for a fee of $7.95

Manual Withdrawals ($10)

- Complete and mail form to HSA Bank

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Using your Debit Card

HSA Bank's debit card can be used for point-of-sale transactions in two ways:

Signature

For signature, swipe card, press credit on the keypad, and sign the receipt. This option is FREE.

PIN

To pay using a PIN (Personal Identification Number), swipe your card, select debit on the keypad, and enter your PIN. A $2 fee per PIN transaction applies.

To withdraw HSA funds from an ATM ($2 fee per ATM withdrawal applies), be sure to select the "checking" option (not savings) when asked the type of account you are withdrawing from. To avoid the $2 fee, use the Member Website to transfer funds from your HSA to a personal checking or savings account.

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Using your Debit Card

HSA Bank has several security protocols in place to protect you and your funds:

- HSA Bank limits point-of-sale debit card transactions to medical merchants.
- Also, as a mechanism for fraud protection, we've set limits on debit card transactions. You can withdraw $5,000 at merchants dedicated to healthcare and $3,500 at merchants that are not healthcare specific, but offer eligible medical products and/or services (e.g. Walmart, Target, etc.).
- Debit card transactions are also limited to your current daily balance.
- The number of debit card transactions allowed per day is limited and varies based on how the card is used or types of transactions processed. These limits exist as a safeguard against fraudulent activity.

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Eligible Medical Expenses

Use your HSA to pay for a wide range of qualified medical expenses (as defined by the IRS) for yourself, your spouse ,or tax dependents. Here are just some examples:

- Acupuncture
- Ambulance services
- Chiropractor
- Dental treatments
- Doctor's fees
- Hearing aids
- Laboratory fees

- Prescription drugs
- Psychologist
- Surgery
- Vaccines
- Vision care
- Wheelchairs
- X-Rays

**A list of Eligible Medical Expenses can be found in IRS Publication 502,* http://www.irs.gov/pub/irs-pdf/p502.pdf. As described in IRS publication 969, http://www.irs.gov/pub/irs-pdf/p969.pdf, over-the- counter medications (when prescribed by a doctor) are considered Eligible Medical Expenses for HSA purposes.

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Invest your HSA funds

There is no minimum HSA balance required to begin investing. No proprietary or default investment based on balance. And, you can start right away!

- **TD Ameritrade** gives you access to bonds, stocks and thousands of mutual funds. Trading fees may apply.

- **Devenir** is a pre-selected group of no-load mutual funds covering a range of fund families and asset classes. An annual fee of $24 is deducted from the investment account balance, pro rata.

Investment products are not FDIC insured, are not a deposit or other obligation of or guaranteed by HSA Bank, and are subject to investment risks.

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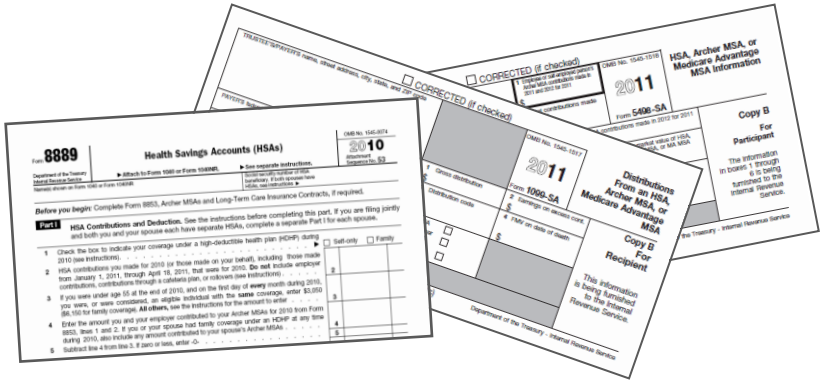
Account Communications

HSA Bank provides several communication pieces to help you manage your HSA, including:

- **Quarterly account statements**: Available by default
- **Monthly account statements**: Available online or by mail
- **IRS Form 5498-SA**: Sent in May and lists all HSA contributions made the prior year. Contributions for previous tax year can be made up until the tax filing deadline.
- **IRS Form 1099-SA**: Sent in January and reports any HSA distributions that were made.



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Employee Services & Support

- **Client Assistance Center:** Representatives are experts in HSAs and can answer all HSA-related questions. Available at 800-357-6246.
- **Bankline:** Is a toll-free automatic system that provides you with 24/7 access to account balance and transaction history at 800-565-3512.
- askus@hsabank.com: You can always email us with any questions or concerns.
- www.hsabank.com**:** On our website, you will find educational materials, online tools, forms and other important HSA information.

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