

A photograph of a woman with brown hair tied back, wearing a white tank top, leaning over and kissing a young child with blonde hair on the cheek. The child is lying on their back in a grassy field, laughing with their mouth open and hands near their face. The background is a soft-focus green field. The image is partially covered by a green geometric overlay in the top-left and bottom-left corners.

Find out what a Health
Savings Account can
do for you.



What is an HSA?

A Health Savings Account, or HSA, is an individually-owned account used to save and pay for qualified medical expenses.

- When you contribute to your HSA through an employer-sponsored Section 125 Cafeteria Plan, your employer takes your HSA contributions out of each paycheck on a pre-tax basis, which decreases your taxable income.
- You'll also earn interest on HSA funds tax-free.
- The best part – medical spending is tax-free when HSA funds are used for qualified medical expenses!

Who can open an HSA?

If you have a qualified High Deductible Health Plan (HDHP) - either through your employer, through your spouse, or one you've purchased on your own - chances are you can open an HSA.

Additionally:

- You cannot be covered by any other non-HSA-compatible health plan, including Medicare Parts A and B.
- You cannot be covered by TriCare.
- You cannot have received medical benefits from Veterans Administration (VA) for any non-service connected disabilities at any time during the previous three months.*
- You cannot be claimed as a dependent on another person's tax return (unless it's your spouse).
- You must be covered by the qualified HDHP on the first day of the month.

When you open an account, HSA Bank will request certain information to verify your identity and to process your application.

*Title 38 of the United States Code, Section 101(17) defines "non-service-connected" as, with respect to disability, that such disability was not incurred or aggravated in line of duty in the active military, naval, or air service.



Qualified 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.*

HSA Advantages

- Gives you the flexibility to shop around for healthcare services and products. This way you can make more informed healthcare decisions.
- There's no initial deposit or minimum balanced required to open an account.
- You own the account. HSA funds stay with you when you change jobs or retire. And, if you don't use all the money in your HSA by the end of the year, don't worry. It rolls over from year-to-year and earns interest tax-free.
- If you don't use your HSA funds, it's one more way to save for retirement. After age 65, HSA funds can be used for any purpose **without penalty** (only income tax is assessed).
- You also have the option to invest your HSA funds to potentially grow your savings for healthcare or retirement. Earnings from investments are tax-free as well.*

*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.





Saving for healthcare

- An HSA builds over time as any other savings account would – through deposits.
- Contributions can be made up to the IRS annual maximum limit.
- Like a traditional savings account, the cash account in your HSA is FDIC insured.



An HSA works with your HDHP

- The High Deductible Health Plan, or HDHP, covers illness or injury after your annual deductible is met, and certain preventive care services at no cost.
- Funds in your HSA can pay for qualified medical expenses before **AND** after your annual insurance deductible is met, including some medical expenses that may not be covered by your insurance plan. Use your HSA funds 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.

Doctor submits
claim to insurance
company.

Insurer applies
Network discounts.

Sends EOB

Pay Provider

The HDHP/HSA concept and Contribution Limits

HDHP	2019			2020		Intended to cover serious illness or injury
		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	
HSA	2019			2020		Can pay for eligible medical expenses not covered by health plan
	Max. Contribution	Single	Family	Single	Family	
		\$3,500	\$7,000	\$3,550	\$7,100	
	Catch-up Contribution (55+)	\$1,000		\$1,000		

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

Easy ways to contribute to you HSA

You may contribute to (fund) your HSA in several ways. In addition, other people can contribute to your HSA - like a spouse, family member, or employer.

- **Payroll Deduction:** HSA Bank will facilitate recurring pre-tax payroll deductions. Contact your employer to complete the appropriate paperwork for this option if your employer offers this.
- **Online Transfers:** Through HSA Bank's Internet Banking, 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, transfers 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.*





Paying for Healthcare Expenses



- HSA funds can help cover some of your medical expenses not covered by your insurance.
- Medical expenses can be paid with an HSA Visa® Health Benefits Debit Card (provided when opening account) or by writing an HSA check (optional when opening account, fee applies).
- You can also pay out-of-pocket for eligible medical expenses and then reimburse yourself from your HSA – tax free.



Investing HSA funds



Devenir Self-Directed Investment Program

- Pre-selected, no-load mutual funds covering a range of asset classes
- HSA Guided Portfolio tool
- Quarterly performance review of mutual fund selections by SEC-registered investment advisors
- Quarterly asset-based fee calculated on the amount invested and deducted pro rata



Investment accounts are not FDIC insured and they are not bank guaranteed. Investment accounts are not a deposit account, or an obligation of HSA Bank, and they may lose value. They are not guaranteed by any federal government agency. Performance data and ratings represent past performance and are not a guarantee of future results. Investment returns and principal value will fluctuate and investors' shares, when sold, may be worth more or less than their original cost.



TD Ameritrade Self-Directed Brokerage Option

- Stocks, bonds, ETFs, options, and thousands of mutual funds
- Trading available: website, phone, mobile device and broker
- Online access to trading, balance information, and reporting
- Trading fees may apply

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Getting Started

- Maximize savings for your healthcare and your future with an HSA.
- There's no initial deposit or minimum balanced required.
- Contact your Employer or HSA Bank to get started:
 - 800-357-6246, 24 hours a day, 7 days a week
 - For a Spanish-speaking representative, call 866-357-6232

askus@hsabank.com

