

The Simplified Approach to an HSA



What is an HSA?

A Health Savings Account (HSA) is a tax-favored account used in conjunction with an HSA-compatible health plan.



**Affordable and
Comprehensive
Coverage**

How does it work?

HSA-compatible health plan: An HSA-compatible health plan provides a balance between comprehensive coverage and more manageable insurance premiums. You are responsible for the deductible and the maximum out-of-pocket. Once those are met, expenses covered by the health plan (including prescription drugs) are paid at 100%. Since an HSA-compatible plan must meet certain deductible and maximum out-of-pocket requirements, your health plan representative can verify if your health plan qualifies.

Health Savings Account: The HSA allows you to build savings to pay for eligible expenses that are not covered by the health plan, typically the deductible and other out-of-pocket costs. HSAs provide tax benefits when funds are deposited, as the account grows and when funds are used for eligible medical expenses.

Savings opportunities

Save on premiums: Premiums are typically less with an HSA-compatible health plan than with lower-deductible plans and generally increase at a slower rate. The money you save on premiums can be used to help fund the HSA.

Save as you contribute: Contributions are made on a pre-tax or tax-deductible basis.

Grow your balance: Balances roll over each year; helping you save money for future medical expenses. As your balance grows, the interest and investment earnings grow tax-free.

Save on medical expenses: HSAs allow you to pay for eligible medical expenses with tax-free dollars. At age 65, you can use HSA funds as another retirement account and pay only income tax.





Understand Your Benefits

Financial. Health. Confidence.



1. Consider Your Financial Impacts

An HSA provides a variety of financial incentives including savings on premiums and attractive tax benefits on contributions, account growth and funds withdrawn for eligible medical expenses.

Calculate your premium savings with the "Is an HSA Right for Me?" calculator at:
http://www.hsabank.com/HSABank/Education/HSA_Right_For_Me.aspx

Determine your tax savings and future value at:
<http://www.hsabank.com/HSABank/Education/FutureValue.aspx>



2. Consider Your Lifestyle

There are many myths that suggest an HSA is only for the young, healthy and wealthy. However, an HSA plan can compliment any stage of life or health condition if you understand how to use it. The Every Day HSA tool allows you to view scenarios of how an HSA can be used and receive a custom recommendation of how you might best maximize the benefits of an HSA.

Receive your custom HSA recommendation at:
http://www.hsabank.com/HSABank/~//media/Files/Flash/HSA_Everyday/load_hsa.swf



3. Start Saving Today - 3 Easy Steps

Making the decision to enroll in an HSA-compatible health plan with an HSA is the first step to taking control of your healthcare financing. To get started:

1. Verify you are eligible. You must be covered under an HSA-compatible health plan, not be enrolled in Medicare or other non-compatible plans, and not be claimed as a dependent on another person's tax return.

2. Complete the HSA application. If you are enrolling through your employer, your employer will provide you with an enrollment link or application. For individuals, complete our Individual Online Enrollment form at: www.hsabank.com.

3. Your account is opened. Your account is typically opened within 1-2 business days and you can expect your Welcome Kit and debit cards to arrive 7-10 days later. *(For Individual Online Enrollments, your Welcome Kit will arrive by email.)* If you did not enroll in Internet Banking or electronic statements at the time of enrollment, be sure to sign up at: <https://secure.hsabank.com/ibanking>.

The HSA Bank Difference

Savings Opportunities. Account Convenience.
Investment Options.



Service & Expertise

As a leader in the industry, it is our goal to provide expertise and service that exceeds your expectations. You can receive account information and support in English or Spanish by contacting our knowledgeable and friendly customer service representatives.

HSA Bank, a division of Webster Bank, N.A., has been providing FDIC insured health-based savings accounts since 1997. We focus on HSAs and provide ongoing training to further enhance our representatives' knowledge of current legislation and industry trends.



Convenience

Account Information

To assist in account management, we have designed our Internet Banking system for HSAs. You can receive email notifications, view electronic statements, access year-to-date information and tax documents, as well as initiate transfers to/from your HSA. As an alternative, our toll-free automated banking system also provides you with access to your account balance and transaction history 24 hours a day, 7 days a week.

Contributions

It is easy to put money in your HSA. With Internet Banking, you have the option to schedule one-time or recurring transfers from a personal bank account. You can also send a check with a contribution form or deposit ticket, or make contributions through payroll deductions if your employer offers this option.

Withdrawing Funds

You can request up to two complimentary Visa® debit cards at account opening. The card can be used for point-of-sale purchases where medical products or services are provided, or with a PIN at an ATM. Accountholders may also opt to purchase checks or reimburse themselves through Internet Banking.



Investment Opportunities

Through our investment partners, you have the opportunity to invest your HSA dollars in stocks, bonds and mutual funds. Plus, earnings grow tax-free. Investment accounts are established separately after enrollment.

Investment accounts are not FDIC insured, may lose value and are not a deposit or other obligation of, or guarantee by the bank. Investment losses which are replaced are subject to the annual contribution limits of the HSA.

Become a Healthcare Consumer

Understand what expenses are eligible

An expense that is eligible for an HSA distribution is defined as an expense for certain healthcare services, equipment and medications to maintain your health or the health of your family. In addition to medical services, an HSA may be used for dental, vision, prescription, chiropractic and some over-the-counter medications. For more information, please visit www.hsabank.com for a sample list of eligible medical expenses.

Understand how payment works

If you are accustomed to health plans with low deductibles and co-payments, the payment experience under an HSA may be a little different. Things to consider:

- Be sure all network discounts are applied before making a payment. Typically, this will mean you need to wait for an Explanation of Benefits (EOB) from your health plan. However, you may be requested to make a partial payment at the time of service.
- If you do not have enough funds in your HSA for an expense:
 - A. Make a partial payment from your HSA and use an alternative source for the remaining portion.
 - B. Pay your bill with an alternative payment method, such as another bank account.
 - C. Contact your healthcare provider and request a payment plan. For large expenses, healthcare providers will generally provide low interest payment plans.

As your balance increases, you may reimburse yourself for expenses already incurred.

- Payments made for prescriptions count towards your maximum out-of-pocket expenses. Once you reach your maximum, prescriptions will also be covered 100%.
- For out-of-network or large expenses, consider using a claims negotiation service to assist in reducing your bill. Visit www.hsabank.com for more information.

Understand the role you play

When it comes to healthcare, we often forget that we are consumers who have the right to know how much things cost and understand what we are paying for. With an HSA, you gain control over your healthcare decisions. As you are making your healthcare decisions:

- Discuss alternatives with your physician
- Ask about price
- Utilize resources available online and through your health plan
- Participate in wellness programs and activities
- Ask about savings options for prescription drugs

For assistance, please contact Customer Service

(800) 357-6246

Monday - Friday, 7 a.m. - 9 p.m., Central Time

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