

# HSAs

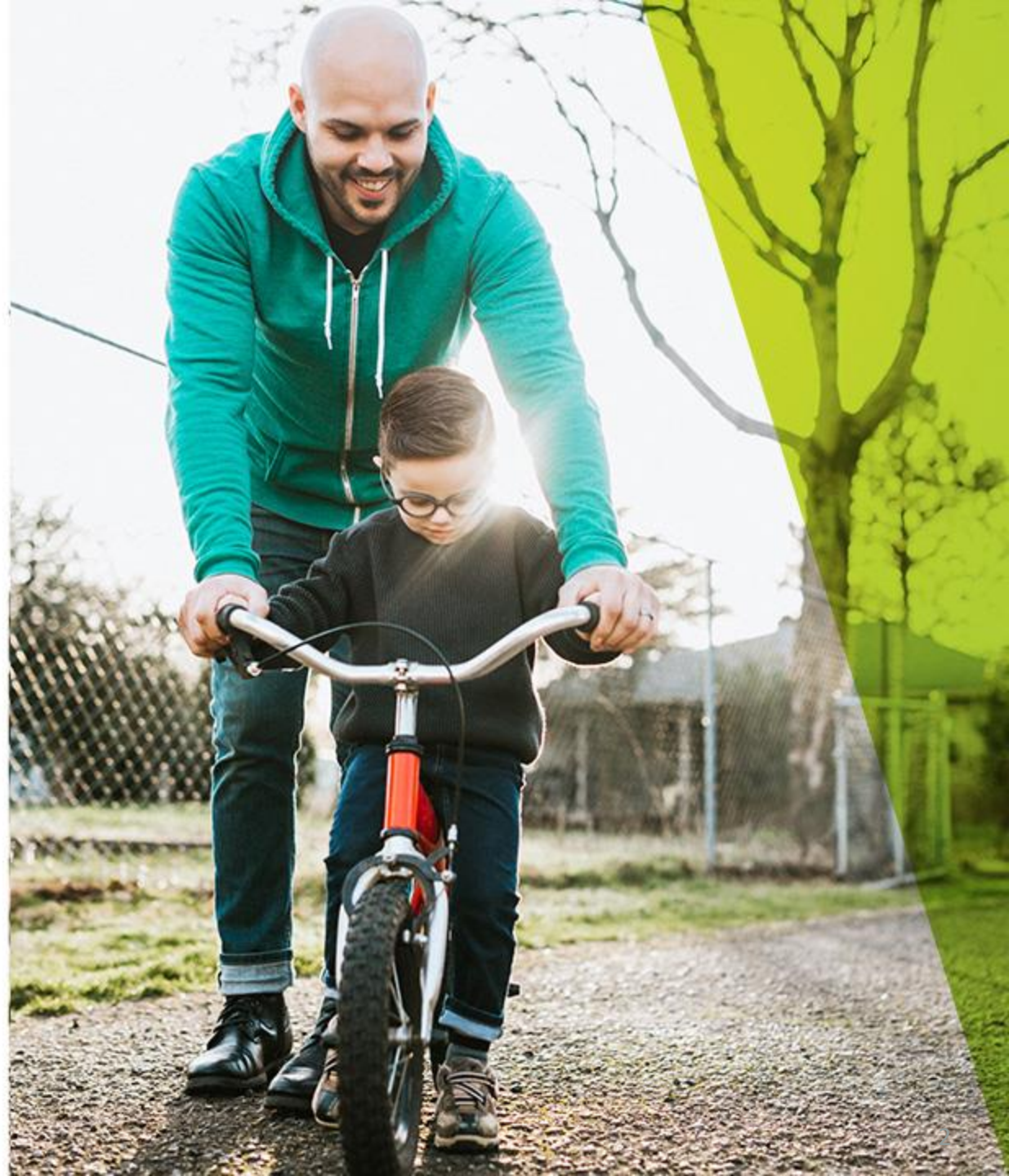
## From Safety Net to Nest Egg



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Your health means  
everything.



# What's your safety net?

**40%**  
**NEVER**  
*SAVE FOR FUTURE*  
**HEALTHCARE**  
*EXPENSES*



**30%**  
**NEVER**  
*CONSIDER*  
**COSTS**

HSA Bank Health & Wealth Index<sup>SM</sup> 2019

# What's an HSA?

Health Savings Accounts are tax-advantaged medical savings accounts available to United States taxpayers who are enrolled in a High Deductible Health Plan (HDHP)

1

## Unique savings account

Use it for medical expenses not covered by your insurance.

2

## Retirement account

Your HSA is like a retirement plan with added benefits.



# Who can open an HSA?

*- You must be covered under a qualifying high-deductible health plan (HDHP) on the first day of the month.*

**1**

*Not covered by another type of health plan, including Medicare*

**2**

*Not covered by TRICARE*

**3**

*Not covered by Indian Health Services*

**4**

*Not receive medical benefits from the VA for non-service-connected disabilities in the previous three months\**

**5**

*Not claimed as a dependent on another person's tax return (except spouse's)*

**6**

*Not covered under a general-purpose healthcare FSA or HRA*

\*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.

# How it works

Must have an HDHP

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Used for qualified medical expenses

.....

Used before and after meeting deductible

# Using your HSA for IRS-qualified medical expenses

- Acupuncture
- Ambulance
- Artificial limbs
- Artificial teeth
- Birth control treatment
- Blood sugar test kits for diabetics
- Breast pumps and lactation supplies
- Chiropractor
- Contact lenses and solutions
- Crutches
- Dental treatments (including X-rays, cleanings, fillings, sealants, braces and tooth removals)
- Doctor's office visits and copays
- Drug addiction treatment
- Drug prescriptions
- Eyeglasses (Rx and reading)
- Fluoride treatments
- Fertility enhancement (including in-vitro fertilization)
- Flu shots
- Guide dogs
- Hearing aids and batteries
- Infertility treatment
- Inpatient alcoholism treatment
- Insulin
- Laboratory fees
- Laser eye surgery
- Medical alert bracelet
- Medical records charges
- Menstrual care products
- Midwife
- Occlusal guards to prevent teeth grinding
- Orthodontics
- Orthotic inserts (custom or off the shelf)
- Over-the-counter medicines and drugs
- Personal protective equipment (PPE) such as masks, hand sanitizer and sanitizing wipes purchased for preventing the spread of COVID-19
- Physical therapy
- Special education services for learning disabilities (recommended by a doctor)
- Speech therapy
- Stop-smoking programs (including nicotine gum or patches, if prescribed)
- Surgery, excluding cosmetic surgery
- Vaccines
- Vasectomy
- Vision exam
- Walker, cane
- Wheelchair

[hsabank.com/QME](https://hsabank.com/QME)

# How to save in your HSA

1

Recurring contributions

2

One-time contribution

3

Use your premium savings

4

Yours forever





# How to save in your HSA

Anyone can contribute to your account.

View the annual contribution limits at [hsabank.com/irs-guidelines](https://hsabank.com/irs-guidelines).

*If you're 55 or older, you may be eligible to make a catch-up contribution of up to an extra*

**\$1,000**  
*per year.*

# The HDHP/HSA Concept and Contribution Limits

HDHP	2023			2024		Intended to cover serious illness or injury
		Single	Family	Single	Family	
	Min. Deductible	\$1,500	\$3,000	\$1,600	\$3,200	
	Max. Out-of-Pocket*	\$7,500	\$15,000	\$8,050	\$16,100	
HSA	2023			2024		Can pay for eligible medical expenses not covered by health plan
		Single	Family	Single	Family	
	Max. Contribution	\$3,850	\$7,750	\$4,150	\$8,300	
	Catch-up Contribution (55+)	Up to \$1,000		Up to \$1,000		

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

# Excess Contributions

If employees contribute more than the IRS maximum:

They must fill out the Excess Contribution Removal Form to process removal.

⋮ The deadline to remove the excess and avoid IRS penalties is the tax filing deadline, including extensions.

⋮ The excess removal will not change the employees' 5498-SA.



## How to pay with your HSA

Debit card

.....

Online bill pay

.....

Reimburse yourself

for qualified expenses paid out of pocket after account opening

What can an HSA  
do for YOU?





# Your best financial safety net

*A healthy 65-year-old couple can expect over*

**\$600,000**

*in future lifetime healthcare costs.*

# Pay less in taxes

1

**You don't pay federal taxes on contributions to your HSA.\***

2

**Earnings to your HSA from interest and investments are tax free.**

3

**You don't pay taxes on distributions when used for qualified medical expenses.**

\*Earnings are exempt from federal taxes. Most states do not tax HSA earnings. However, state tax treatment varies. Please consult with a tax advisor or the state department of revenue for more information.



# Boost your retirement savings

After age 65, you can use your savings for any purpose without a penalty.

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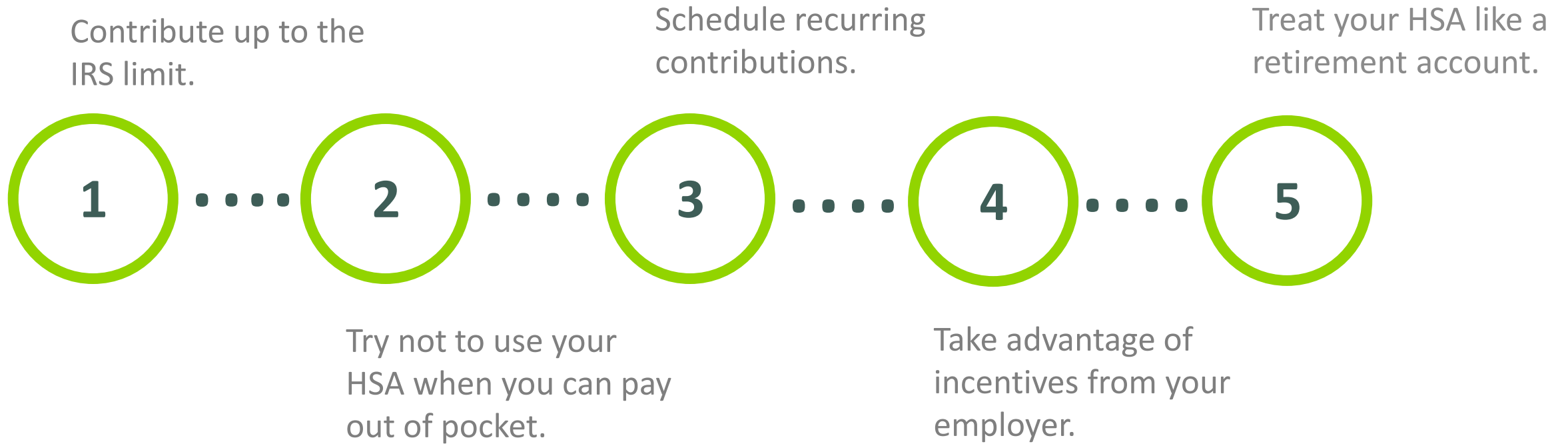
Take advantage of investment options.\*

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Like a 403(b), your HSA helps you keep more of your own money when you retire.

\*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. Only funds above \$1,000 in your HSA cash account can be transferred to your investment account.

# Making the most of your HSA



# Ok, so I should consider investing my Health Savings Account. What do I need to know?

Your HSA investment earnings grow without being taxed. If you use the funds to pay for eligible healthcare expenses, distributions are also tax free.\*



You can move your HSA investment funds back into your HSA cash account at any time to pay for IRS-qualified healthcare expenses.



You may need to keep a minimum balance in your HSA Bank cash account in order to begin investing.

\*Federal tax savings are available no matter where you live. However, HSAs may be subject to state taxes. Please consult your state department of revenue and/or your tax professional for tax-related questions. HSA Bank does not provide tax advice. Carefully consider the investment objectives, risks, charges, and expenses before investing. A prospectus contains this and other important information about an investment company. Read carefully before investing.



# Let's compare the HSA to a 403(b) for retirement savings

	HSA	403(b)
Tax-free contributions	Yes	Yes
Tax-free growth	Yes	No (deferred only)
Tax-free withdrawals for IRS-qualified medical expenses	Yes	No
Ability to invest	Yes	Yes
Easy to withdraw funds	Yes	No
Required minimum distributions (RMDs) after age 73	No	Yes

# 403(b) vs. HSA for retirement savings

**403(b)** ..... **-\$24,000** ..... **\$76,000**  
**\$100,000** (taxes) for healthcare

**HSA** ..... **\$100,000**  
**\$100,000** for healthcare

*If you use your 403(b) for healthcare expenses, you'll pay taxes. You'll never pay taxes for healthcare expenses when you use your HSA.*

# Introducing our self-directed investment options for HSAs

## Devenir Guided Portfolio Investment Program

Leading HSA investment advisor



Personalized recommendations



Registered investment advisor (RIA)



Good for new investors

## Schwab Health Savings Brokerage Account Program

Premium research and tools



Flexibility



More investment choices



Good for experienced investors

\*You may be required to keep a minimum balance in your HSA cash account to invest funds.

Schwab Health Savings Brokerage Account (HSBA) is offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker/dealer, which also provides other brokerage and custody services to its customers. Devenir Mutual Fund Selection Option is provided by Devenir Group LLC, a Registered Investment Advisor that selects and monitors the performance of the mutual fund lineup. HSA Bank, Charles Schwab & Co., Inc., and Devenir Group, LLC are not affiliated and not responsible for the products and services provided by the other. Self-directed investing is the responsibility of the account owner. Neither HSA Bank, Schwab nor Devenir can provide investment advice to you. We recommend you speak with a licensed investment advisor or consult the prospectus should you have questions about any investment. Your ability to replace losses in the investment account may be limited by the annual contribution limits of your HSA.



## Devenir Guided Portfolio Self-Directed Investment Program

# Devenir Guided Portfolio Self-Directed Investment Program

- Competitive fund lineup of low-cost, no-load mutual funds
- No minimum investment to purchase mutual funds
- Free to transfer between investment account and cash account
- Access to informational materials
- Auto-rebalance





## Schwab Health Savings Brokerage Account (HSBA)

# Schwab Health Savings Brokerage Account

Wide range of investment options include stocks, bonds, mutual funds and Exchange Traded Funds (ETFs).



Automatic investing is available in qualified mutual funds.



Access a variety of investment tools and services to help you choose the investments that are right for you, including the Schwab Portfolio Checkup, customizable screeners and lists of prescreened funds.



Manage your account and place trades on the Schwab.com, Schwab Mobile app or over the phone through a Schwab Registered Representative.

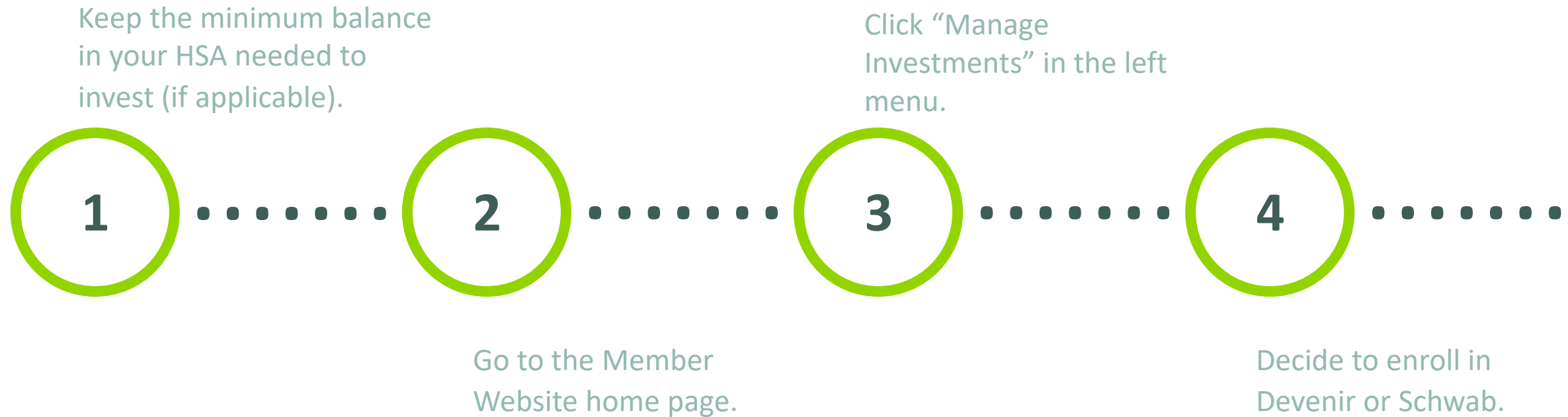


Find the right investments for you with access to powerful proprietary research tools on Schwab.com, as well as independent, third-party research from leading providers.



Transaction fees and commissions may be applied by Charles Schwab.

# How do I open an investment account?



# How do I open an investment account?

Click the “Enroll Now” button for the program you selected.

...

5

.....

6

.....

7

.....

8

Transfer funds from your cash account to your investment account.

Follow the prompts to complete the enrollment process. You will receive an email in 1-2 business days if enrolling in the Devenir program. Members can transfer funds immediately to their Schwab brokerage account upon enrollment completion.

Select investments in Devenir or Schwab.

*Please note: When enrolling in either of the investment programs (Schwab or Devenir), you must agree to the associated investment account terms & conditions.*

# Medicare and your HSA

1

If you enroll in any part of Medicare (including receiving Social Security benefits) at 65 or older, you can still use your HSA for healthcare expenses but can't make any more contributions.

2

If you delay Medicare enrollment, you can make contributions after 65 if you're still covered by an HSA-qualified HDHP. (You must stop contributing to your HSA six months before enrolling in Medicare.)





# Getting Started



# What You Need to Know

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

- **Welcome Kit (new HSA accountholders):** This valuable “starter package” contains your 8-digit account number, important disclosures and a privacy statement.
- **Debit Card (new HSA accountholders):** 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 account and information.
- **Beneficiary Designation Form:** Lets you designate a beneficiary for your HSA.

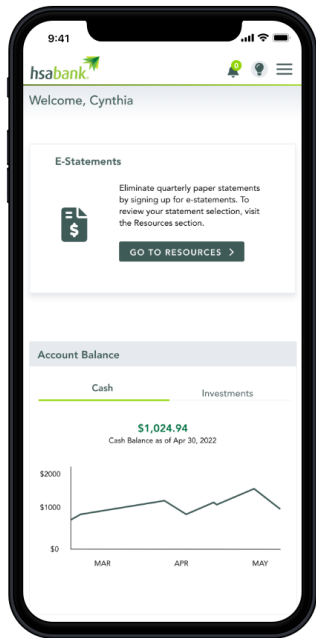
# HSA Member Website

- Manage profile and electronic preferences
- View real-time account balances
- View transaction history and statements
- Access electronic statements and tax documents
- Designate authorized signers and beneficiaries

- Pay providers directly from HSA
- Track expenses and save receipts
- Transfer funds to/from a linked personal bank account
- Access self-directed investment options
- Receive year-to-date account details

# HSA Bank Mobile

Health savings in the palm of your hand.



Simple, secure login

Check account balances

View account activity

Schedule HSA contributions

Review and verify qualified expenses

Make a payment from account

Enter and track expenses

Easily access customer service

# Tools and Forms for the Employee

## Tools

- HSA Account Summary
- Quarterly Member Newsletter
- Health Savings Calculator

## IRS Notices

- IRS Form 5498-SA
- IRS Form 1099-SA

**hsabank**  
P. O. Box 939  
Shelbyville, WI 53082

Period: 1/1/2016 - 3/31/2016  
Participant Account ID: xxxxx  
Debit Card Number: x  
Cigna Customer Service: (800) 244-6224  
Online: [link]

Jane Doe  
123 Anywhere St  
Hometown, WI 12345

**Transaction Details for HSA Cash Account**

Date	Method	Description	Deposits	Withdrawals	Balance
01/14/2016	Check	Distribution		\$219.30	\$2,010.00
01/26/2016	EFT	Payroll Contribution	\$200.00		\$2,210.00
01/27/2016	EFT	Payroll Contribution	\$200.00		\$2,410.00
01/31/2016	None	Interest	\$5.22		\$2,415.22
02/06/2016	Debit Card	WALGREENS #12320		\$12.31	\$2,402.91
02/10/2016	EFT	Payroll Contribution	\$200.00		\$2,602.91
02/25/2016	EFT	Payroll Contribution	\$200.00		\$2,802.91

**HSA BANK INSIDER**  
TIPS TO MAXIMIZE YOUR HSA

**First-Time Online User?**

1. To register your online account, go to [hsabank.com/online](#)
2. Click the "Create your new online account" link from the bottom of the page.
3. Enter the identifying information requested on the page and click on the "Next" button.
4. Enter necessary and accurate account information.
5. After verifying the Member, New Password, and Online Personal Data, click "Submit".
6. Please read and accept the HSA Bank Account Agreement and the HSA Bank Terms and Conditions. You will need to accept the agreement, scroll to the bottom, and click the "I agree" button.
7. Please note, your online account will not be active until you receive your debit card and you have activated it.
8. Confirm and verify your account information by sending a text message to 800-244-6224.

**Please Note:** For the online account to be active, you must first activate your debit card by calling 800-244-6224 or by visiting [hsabank.com](#).



# Client Assistance Center and additional support

Call 800-357-6246.

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Email [askus@hsabank.com](mailto:askus@hsabank.com) with questions.

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Email [hsaforms@hsabank.com](mailto:hsaforms@hsabank.com) for  
specific forms.

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Visit [hsabank.com](http://hsabank.com) for educational  
materials, online tools, and more.





THANK YOU

