



Health Savings Accounts

Start saving more on healthcare.



A Health Savings Account (HSA) is an individually-owned, tax-advantaged account that you can use to pay for current or future IRS-qualified medical expenses. With an HSA, you'll have the potential to build more savings for healthcare expenses or additional retirement savings through self-directed investment options¹.

How an HSA works:

- You can contribute to your HSA via payroll deduction, online banking transfer, or by sending a personal check to HSA Bank. Your employer or third parties, such as a spouse or parent, may contribute to your account as well.
- You can pay for qualified medical expenses with your Health Benefits Debit Card directly to your medical provider or pay out-of-pocket. You can either choose to reimburse yourself or keep the funds in your HSA to grow your savings.
- Unused funds will roll over year to year. After age 65, funds can be withdrawn for any purpose without penalty (subject to ordinary income taxes).
- Check balances and account information via HSA Bank's Member Website or mobile device 24/7.

Are you eligible for 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 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.

What are the annual IRS contribution limits?

Contributions made by all parties to an HSA cannot exceed the annual HSA limit set by the Internal Revenue Service (IRS). Anyone can contribute to your HSA, but only the accountholder and employer can receive tax deductions on those contributions. Combined annual contributions for the accountholder, employer, and third parties (i.e., parent, spouse, or anyone else) must not exceed these limits.²

2018 Annual HSA Contribution Limits

Individual = \$3,450
Family = \$6,900

2019 Annual HSA Contribution Limits

Individual = \$3,500
Family = \$7,000

According to IRS guidelines, each year you have until the tax filing deadline to contribute to your HSA (typically April 15 of the following year). Online contributions must be submitted by 2:00 p.m., Central Time, the business day before the tax filing deadline. Wire contributions must be received by noon, Central Time, on the tax filing deadline, and contribution forms with checks must be received by the tax filing deadline.

Catch-up Contributions

Accountholders who meet these qualifications are eligible to make an HSA catch-up contribution of \$1,000: Health Savings accountholder; age 55 or older (regardless of when in the year an accountholder turns 55); not enrolled in Medicare (if an accountholder enrolls in Medicare mid-year, catch-up contributions should be prorated). Authorized signers who are 55 or older must have their own HSA in order to make the catch-up contribution.

How can you benefit from tax savings?

An HSA provides triple tax savings.³ Here's how:

- Contributions to your HSA can be made with pre-tax dollars and any after-tax contributions that you make to your HSA are tax deductible.
- HSA funds earn interest and investment earnings are tax free.
- When used for IRS-qualified medical expenses, distributions are free from tax.

IRS-Qualified Medical Expenses

You can use your HSA to pay for a wide range of IRS-qualified medical expenses for yourself, your spouse, or tax dependents. An IRS-qualified medical expense is defined as an expense that pays for healthcare services, equipment, or medications. Funds used to pay for IRS-qualified medical expenses are always tax-free.

HSA funds can be used to reimburse yourself for past medical expenses if the expense was incurred after your HSA was established. While you do not need to submit any receipts to HSA Bank, you must save your bills and receipts for tax purposes.

Examples of IRS-Qualified Medical Expenses⁴:

Acupuncture	Gynecologist	Psychologist
Alcoholism treatment	Hearing aids and batteries	Smoking cessation programs
Ambulance services	Hospital bills	Special education tutoring
Annual physical examination	Insurance premiums⁵	Surgery
Artificial limb or prosthesis	Laboratory fees	Telephone or TV equipment to assist the hearing or vision impaired
Birth control pills (by prescription)	Lactation expenses	Therapy or counseling
Chiropractor	Lodging	Medical transportation expenses
Childbirth/delivery	(away from home for outpatient care)	Transplants
Convalescent home (for medical treatment only)	Nursing home	Vaccines
Crutches	Nursing services	Vasectomy
Doctor's fees	Obstetrician	Vision care (including eyeglasses, contact lenses, lasik surgery)
Dental treatments (including x-rays, braces, dentures, fillings, oral surgery)	Osteopath	Weight loss programs (for a specific disease diagnosed by a physician – such as obesity, hypertension, or heart disease)
Dermatologist	Oxygen	Wheelchairs
Diagnostic services	Pregnancy test kit	X-rays
Disabled dependent care	Podiatrist	
Drug addiction therapy	Prescription drugs and medicines (over-the-counter drugs are not IRS-qualified medical expenses unless prescribed by a doctor)	
Fertility enhancement (including in-vitro fertilization)	Prenatal care & postnatal treatments	
Guide dog (or other service animal)	Psychiatrist	

¹ 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.

² HSA funds contributed in excess of these limits are subject to penalty and tax unless the excess and earnings are withdrawn prior to the due date, including any extensions for filing Federal Tax returns. Accountholders should consult with a qualified tax advisor in connection with excess contribution removal. The Internal Revenue Service requires HSA Bank to report withdrawals that are considered refunds of excess contributions. In order for the withdrawal to be accurately reported, accountholders may not withdraw the excess directly. Instead, an excess contribution refund must be requested from HSA Bank and an Excess Contribution Removal Form completed.

³ Federal Tax savings are available no matter where you live and HSAs are taxable in AL, CA, and NJ. HSA Bank does not provide tax advice. Consult your tax professional for tax-related questions.

⁴ This list is not comprehensive. It is provided to you with the understanding that HSA Bank is not engaged in rendering tax advice. The information provided is not intended to be used to avoid Federal tax penalties. For more detailed information, please refer to IRS Publication 502 titled, "Medical and Dental Expenses". Publications can be ordered directly from the IRS by calling 1-800-TAXFORM. If tax advice is required, you should seek the services of a professional.

⁵ Insurance premiums only qualify as an IRS-qualified medical expense: while continuing coverage under COBRA; for qualified long-term care coverage; coverage while receiving unemployment compensation; for any healthcare coverage for those over age 65 including Medicare (except Medicare supplemental coverage).



Please call the number on the back of your HSA Bank debit card or visit us at www.hsabank.com



How to use your HSA

It's easy to manage your Health Savings Account (HSA) online.

Access real-time account balances, transaction history and statements, as well as track your expenses online. Sign up for online banking today.

Mobile App* – Use your iOS (iPhone, iPod Touch, iPad) or Android-powered device to check available balances in your account and view HSA transaction details, save and store receipts using your device's camera, receive account balances and configurable alerts via text message, and access customer service contact information.

myHealth PortfolioSM – Use this tool to track your healthcare expenses, submit and retain receipts and claims from multiple insurance and financial account providers. Also view expenses by provider, description, and more.

How to deposit funds into your HSA.

To maximize HSA tax and savings benefits, begin funding your account as soon as you can. HSA Bank offers several convenient methods for making contributions to your HSA.

Payroll Deductions – If your employer offers this option, HSA Bank will facilitate recurring pre-tax payroll deductions. Contact your employer to complete the appropriate paperwork.

Online Transfers – On HSA Bank's member website, you can transfer funds from an external bank account, such as a personal checking or savings account, to your HSA.

Check – Mail your personal check and completed Contribution Form to:
HSA Bank, PO Box 939, Sheboygan, WI 53082

How to pay for healthcare expenses from your HSA.**

Whether you want to reimburse yourself for an IRS-Qualified medical expense paid out-of-pocket or you want to pay directly from your HSA, HSA Bank offers multiple options for accessing your funds. NOTE: all transactions are limited to your available cash balance.

Health Benefits Debit Card – Your HSA Bank Health Benefits Debit Card provides access to your HSA funds at point-of-sale with signature or PIN and at ATMs for withdrawals. The daily debit card limit for the Health Benefits Debit Card is \$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.). The number of debit card transactions is limited to five transactions per day. These limits exist as a safeguard against fraudulent activity. We offer multiple options to pay for an expense that exceeds the daily debit card limit. Transaction fees may apply when used with a PIN.†

Checks – A book of 50 checks can be ordered upon request for an additional fee.† You can use these checks to pay providers or reimburse yourself for expenses already incurred. There is no daily limit on dollar amounts.

Online Transfers – On HSA Bank's Member Website or mobile app, you can reimburse yourself for out-of-pocket expenses by making a one-time or reoccurring online transfer from your HSA to your personal checking or savings account. There is a daily limit of \$2,500.

Online Bill Pay – Use this feature to pay medical providers directly from your HSA. There is no daily limit.

HSA Bank's Health Benefits Debit Card can be used for point-of-sale transactions in two ways, signature or PIN. For signature, swipe card, press credit on the keypad, and sign the receipt. To pay using a PIN (fee per PIN transaction may apply†), swipe your card, select debit on the keypad, and enter your PIN. To withdraw HSA funds from an ATM (fee per ATM withdrawal may apply†), be sure to select the "checking" option (not savings) when asked the type of account you are withdrawing from. HSA Bank limits point-of-sale debit card transactions to medical merchants. As a mechanism for fraud protection, HSA Bank has set daily limits on debit card transactions. These limits are listed in your Deposit Account Agreement and Disclosures Booklet. Debit card transactions are also limited to your current balance.

*The HSA Bank Mobile App is free to download. However, you should check with your wireless provider for any associated fees for accessing the internet from your device.

**You can pay for a wide range of IRS-qualified medical expenses with your HSA, including many that aren't typically covered by health insurance plans. This includes deductibles, co-insurance, prescriptions, dental and vision care, and more. For a complete list of IRS-qualified medical expenses, visit irs.gov or hsabank.com/IRSQualifiedExpenses.

†For applicable fees, see your HSA Bank Interest and Fee Schedule or Explanation of HSA Bank Fee Changes document.



Please call the number on the back of your HSA Bank debit card or visit us at www.hsabank.com

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Designating a Beneficiary for Your HSA

Protect your assets.
Protect your loved ones.



What is a Beneficiary?

A beneficiary is a person or legal entity that has been designated to receive the proceeds from your Health Savings Account (HSA) in the event of death.

A beneficiary can be one or more individuals (i.e., spouse, children, relatives, or friends) or organizations, such as a trust or charity. You can designate two types of beneficiaries:

1

Primary Beneficiaries are first to receive the designated asset upon your death. If you name more than one primary beneficiary, each will share the benefit equally, unless you indicate specific percentages totaling 100 percent are to be paid.

2

Secondary (Contingent) Beneficiaries receive the asset if there are no surviving primary beneficiaries upon your death. Multiple contingent beneficiaries will share the benefit equally, unless you indicate specific percentages totaling 100 percent are to be paid.

You may designate a beneficiary to receive your HSA assets in the event of your death. If you name your spouse as beneficiary, your spouse can elect to treat the HSA as his or her own. In such case, your spouse will not owe taxes or penalties provided he or she uses the HSA for IRS-qualified medical expenses. If you designate a non-spouse beneficiary, he or she must take a distribution of the funds. A non-spouse beneficiary will have to pay income tax on the amount received, but will not have to pay a penalty tax. Beneficiary designations can generally be made via the Member Website. However, if you are married, domiciled in a community property state, and designate a non-spouse primary beneficiary, you must submit a beneficiary form with the notarized consent of your spouse.

Why It's Important to Designate a Beneficiary?

One of the most neglected areas of retirement planning is beneficiary designation.

By having a designated beneficiary in place at the time of your death, the assets of your HSA can be distributed according to the designation. If you die without having a valid beneficiary designation, your HSA will be distributed to your estate.¹

Review Your Beneficiary Designations

By periodically reviewing your beneficiary designations for your HSA, you can rest assured that your assets will be distributed according to your wishes. It is also recommended to keep up-to-date copies of your beneficiary designation forms.

Circumstances for Which a Review is Recommended



You experience a major life event such as a birth, marriage, dissolution of marriage or domestic partnership, or death in the family.



You update your estate plan. Consult with your legal advisor when you update your estate plan to determine whether your HSA beneficiary designations also need to be updated.



You receive a beneficiary verification notice.

Designating a Beneficiary with HSA Bank²

If you wish to designate a beneficiary or update your current beneficiary with HSA Bank, simply follow these easy steps. In the absence of a designation, your beneficiary is your estate.¹

Step 1:

After logging into your account on the Member Website, click on the **Profile** tab.



Step 2:

Next, click on **Add Beneficiary**.

Beneficiary Information

You may designate a beneficiary for your Health Savings Account (HSA). The designated beneficiary will receive your HSA assets in the event of your death. If you are married in common law or marital property states, you must designate your spouse as your Primary Beneficiary. You can change beneficiaries by submitting a notarized Beneficiary Change Form with your spouse's signature of consent.

Name *
First Name MI
Last Name

SSN *
 - -

Birth Date *
/mm/dd/yyyy

Address *
Address Line 1
Address Line 2
City
Select a state... Zip Code

Relationship *
Select a relationship...

Type * Primary Contingent

Step 3:

You will then be asked to provide information about your chosen beneficiary, including his/her Social Security Number and his/her birthdate. Upon completion of this form, click **Submit**.

1. Exceptions may apply to certain former JP Morgan Chase Bank, N.A. HSAs that transitioned to HSA Bank prior to October 2015.

2. You may designate one or more persons or entities as the beneficiary(ies) of your HSA. This designation can only be made in a manner or form prescribed by us and will only be effective when filed with us during your lifetime. Except when adding beneficiaries, each beneficiary designation you file with us will cancel all previous designations. Unless otherwise provided under applicable state law, you may alter or revoke a beneficiary designation without the consent of any beneficiary previously named. You may designate one or more primary beneficiaries and one or more contingent beneficiaries. Your benefit will be paid in equal shares to your primary beneficiary(ies) who survive you unless your beneficiary designation provides otherwise. If a primary beneficiary does not survive you, his or her interest will lapse and the interest of any remaining primary beneficiaries shall be increased on a pro rata basis unless your beneficiary designation provides otherwise. Contingent beneficiaries shall be treated as primary beneficiaries only if all primary beneficiaries die before you. If you do not file a beneficiary designation form with us, if you file an incomplete or invalid form, or if no designated beneficiary survives you, your beneficiary shall be your estate. We will determine who the beneficiaries are in each case, consistent with your designation and this Agreement, and our determination will be final and binding on all parties in interest. We will not be liable to any beneficiary for paying your surviving spouse any amount that may be required to satisfy state marital or community property laws, and we may delay all or a portion of any payment while we make this determination. For more information regarding non-spousal beneficiaries, or beneficiaries under the age of 18, including disbursement procedures, please contact HSA Bank.

For assistance, please contact the Client Assistance Center



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