



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 After age 65, funds can be withdrawn for any purpose without penalty (subject to ordinary income taxes).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 have accessed your VA medical benefits in the past 90 days (to contribute to an HSA).
- 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

2015 Annual HSA Contribution Limits

Individual = \$3,350
Family = \$6,650

2016 Annual HSA Contribution Limits

Individual = \$3,350
Family = \$6,750

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.

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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 (away from home for outpatient care)	Medical transportation expenses
Childbirth/delivery	Nursing home	Transplants
Convalescent home (for medical treatment only)	Nursing services	Vaccines
Crutches	Obstetrician	Vasectomy
Doctor's fees	Osteopath	Vision care (including eyeglasses, contact lenses, lasik surgery)
Dental treatments (including x-rays, braces, dentures, fillings, oral surgery)	Oxygen	Weight loss programs (for a specific disease diagnosed by a physician – such as obesity, hypertension, or heart disease)
Dermatologist	Pregnancy test kit	Wheelchairs
Diagnostic services	Podiatrist	X-rays
Disabled dependent care	Prescription drugs and medicines (over-the-counter drugs are not IRS-qualified medical expenses unless prescribed by a doctor)	
Drug addiction therapy	Prenatal care & postnatal treatments	
Fertility enhancement (including in-vitro fertilization)	Psychiatrist	
Guide dog (or other service animal)		

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).

For assistance, please contact the Client Assistance Center



800-357-6246

Monday – Friday, 7 a.m. – 9 p.m., and Saturday, 9 a.m. - 1 p.m., CT

www.hsabank.com | 605 N. 8th Street, Ste. 320, Sheboygan, WI 53081



Health Savings Account Fee and Interest Schedule

Effective as of September 15, 2014



HSA Bank wants you to understand the fees associated with your Health Savings Account (HSA). For details regarding the general terms and conditions that apply to your HSA, see the Deposit Account Agreement and Disclosures for Health Saving Accounts.

Standard Fee

Description	Amount	How to Avoid Fee
Monthly Account Maintenance	\$2.50	Maintain a bank account balance at or above \$5,000 each day of the month. ¹

Service Fees

Description	Amount	How to Avoid Fee
Monthly Paper Account Statement	\$1.50	Elect to receive free e-statements through Internet Banking.
Duplicate Copy of Monthly Paper Account Statement	\$4.00	View and print prior 18 months of statements through Internet Banking.
Monthly Investment ²	\$3.00	Maintain a bank account balance at or above \$5,000 each day of the month. ¹
ATM Withdrawal ³	\$2.00	Access funds through online transfers in Internet Banking.
Point-of-Sale Purchase with PIN	\$2.00	Use your HSA debit card at the point of sale with your signature.
Copy of Debit Card Merchant Receipt	\$25.00	Save your receipts when using your HSA debit card.
Termination of Debit Card Access	\$12.00	You will only incur this fee if you request HSA Bank to terminate your card.
Check Order (50 checks)	\$7.95	Use your HSA debit card or online transfers to access your funds.
Copy of Check	\$4.00	Keep records of the checks written from your HSA.
Returned Deposited Check	\$25.00	Verify funds are available to cover the amount you deposit into your HSA.
Stop Payment	\$25.00	You will only incur this fee if you request HSA Bank to stop payment on a check or an electronic payment.
Non-Sufficient Funds (NSF) ⁴	\$30.00	Check your available account balance online before you withdraw funds.
Manual Withdrawal	\$10.00	Use online transfers, through Internet Banking, to access your funds.
Excess Contribution	\$25.00	Contribute no more than the annual IRS limits.
Wire Transfer (sent and received)	\$25.00	Use online transfers, through Internet Banking, to access and contribute HSA funds.
Debit Card Issuance Fee	\$6.00	We do not charge for the first two debit cards on your account.
Replace Lost or Stolen Debit Card	\$12.00	Protect your debit card as you would cash and credit cards.
Duplicate Copy of Tax Document	\$4.00	View or print copies of your tax documents through Internet Banking.
Transaction Correction	\$25.00	This fee is charged if you request any of these items; a change to the contribution type (Pre or Post tax or Employer), a tax year correction and/or change in dollar amount of a processed contribution and/or distribution. Any related IRS filing amendments as a result of this change are included in this fee charge.
Account Closing	\$25.00	If you lose your HDHP coverage, you can continue to use your HSA funds for eligible expenses.

Minimum Account Balance and How We Determine the Interest Rate

There is no minimum account balance required to open a health savings account or to obtain the annual percentage yield disclosed. We use the daily balance method to calculate the interest on your account. The daily balance method applies a daily periodic rate to the principal in the account each day. Interest is compounded monthly and credited monthly. Interest begins to accrue no later than the business day that we receive credit for the deposit of non-cash items (for example, checks). The interest rate and annual percentage yield (APY) is based on the balance in your account. The interest rate and annual percentage yield available on your account is as follows, effective as of November 1, 2016.

Daily Balance	Interest Rate	APY
\$25,000 or more	0.45%	0.45%
\$15,000.00 - \$24,999.99	0.35%	0.35%
\$10,000.00 - \$14,999.99	0.25%	0.25%
\$5,000.00 - \$9,999.99	0.15%	0.15%
\$2,500.00 - \$4,999.99	0.10%	0.10%
Less Than \$2,500	0.05%	0.05%

This interest rate is subject to change at our discretion at any time. Fees may reduce your earnings.

¹ The Balance Waiver Amount reflects the minimum amount of funds that must be maintained in the HSA Bank health savings account each day of the month to prevent the Monthly Account Maintenance Fee and the Monthly Investment fee from being charged. Only the funds in the HSA Bank health savings bank account are included in the balance waiver amount for both the Monthly Account Maintenance Fee and the HSA Investment Service Fee.

² 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.

³ The bank/ATM you use may charge you their own fee. HSA Bank customers using a Webster Bank ATM will not be charged a fee.

⁴ Distributions from your Health Savings Account presented in the form of checks, debit card payments, ACH withdrawals, or other electronic means, will be either paid or returned if there are insufficient funds in your account to cover the amount of the withdrawal, and you will be charged a Non-Sufficient Funds (NSF) fee.