

Health Savings Accounts

HealthEquity

Why HSAs?

Health Savings Accounts (HSAs) are an easy way to win in today's complex health care system. As an HSA user, you save in several ways:

- HSA contributions are not taxed*
- You earn tax-free interest on HSA balances*
- HSA funds used for qualified expenses are not taxed*

HSA Funds Roll Over from Year to Year

With an HSA, you own the account and all contributions. Unlike flexible spending accounts (FSAs), your entire HSA balance rolls over and remains available for qualified expenses even if you change health plans, retire, or leave the company. Once you reach a determined account balance, you can invest your HSA funds for increased earning potential.

How an HSA Works

An HSA paired with an HSA-qualified health plan allows you to make pre-tax contributions to an FDIC-insured savings account. Balances earn tax-free interest and can be used to pay for qualified expenses.

HSA Eligibility

To make tax-free* deposits to an HSA, the IRS requires that:

- You are covered by an HSA-qualified health plan
- You have no other health coverage (ie. Medicare, military health benefits, Medical FSAs, etc.)
- You are not claimed as a dependent on someone else's tax return

Getting Started

We make the process of an HSA easy and we are available to assist every step of the way. To get started, simply:

1. **Enroll in an HSA-qualified health plan through your employer.** We'll work with your health plan to automatically set up your HSA and supply you with a HealthEquity Visa® Health Account debit card¹ to conveniently pay for eligible expenses.
2. **Elect to make contributions to your HSA.** Many employers offer paycheck deductions. You can also transfer funds from an existing HSA or make an electronic deposit. To take full advantage of tax savings and to build a reserve for the future, we encourage you to maximize your HSA contributions, according to HSA regulations:

HSA Contribution Limits	2015	2016
Individual	\$3,350	\$3,350
Family	\$6,650	\$6,750

At age 55, an additional \$1,000 contribution is allowed annually.

3. **Start Saving!** Use your HSA funds to pay for qualified expenses, tax-free*. Or, let your balance grow and save for the future.

Learn More

- www.healthequity.com/hsalearn
- (866) 346-5800

*HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds are tax-free with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

¹This card is issued by the Bancorp Bank pursuant to a license from Visa USA Inc. The Bancorp Bank; Member FDIC.

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Qualified Medical Expenses

Qualified medical expenses are designated by the IRS. They include medical, dental, vision and prescription expenses. See IRS publication 502 (<http://www.irs.gov/publications/p502/index.html>) for a list of specific examples.

- Acupuncture
- Alcoholism (rehab)
- Ambulance
- Amounts not covered under another health plan
- Annual physical examination
- Artificial limbs/teeth
- Birth control pills/prescription contraceptives
- Body scans
- Post-mastectomy breast reconstruction surgery
- Chiropractor
- Contact lenses
- Crutches
- Dental treatments
- Eyeglasses/eye surgery
- Hearing aids
- Long-term care expenses
- Medicines (prescribed)
- Nursing home medical care
- Nursing services
- Optometrist
- Orthodontia
- Oxygen
- Stop-smoking programs
- Surgery, other than unnecessary cosmetic surgery
- Telephone equipment for the hearing-impaired
- Therapy
- Transplants
- Weight-loss program (prescribed)
- Wheelchairs
- Wigs (prescribed)

Non-qualified Medical Expenses

There are tax penalties for using HSA funds for non-qualified expenses. Keep all itemized receipts and copies of prescriptions for over-the-counter medications in case of an IRS audit.

- Concierge services
- Dancing lessons
- Diaper service
- Elective cosmetic surgery
- Electrolysis or hair removal
- Funeral Expenses
- Future medical care
- Hair transplants
- Health club dues
- Insurance premiums*
- Medicines and drugs from other countries
- Over-the-counter medicines*
- Nutrition supplements*
- Teeth whitening

*Some exceptions may apply

Over-the-counter Medication

The IRS does not allow HSA funds to be used for over-the-counter (OTC) medicines without a prescription. We encourage you to ask your doctor if he or she can write a prescription for OTC medicines or supplies that you frequently need to utilize. Then, you may use your HSA funds to pay for these items.

HealthEquity[®]
Building Health SavingsSM