



HEALTH SAVINGS ACCOUNT

EMPLOYEE GUIDE



BENEFITS OF AN HSA

When you're enrolled in a High-Deductible Health Plan (HDHP), save more by taking advantage of our Health Savings Account (HSA). An HSA lets you use tax-free dollars to pay for medical expenses.

HSA's PROVIDE A TRIPLE-TAX ADVANTAGE, MAKING THEM A STRATEGIC TOOL FOR SPENDING, SAVING AND INVESTING.

- + Contributions are tax-free
- + Earnings are tax-free
- + Withdrawals for eligible expenses are tax-free

WHY YOU SHOULD CHOOSE AN HSA

Triple-Tax Savings

HSAs reduce your taxable income. Contributions are made pre-tax, and withdrawals for qualified medical expenses are tax-free if an HSA is offered through your employer's benefits plan.

Investment Potential

The HSA grows with you. The money in the account is yours to invest, and the earnings are tax-free.

Employer Contributions

Along with your payroll contributions, your employer may contribute to your HSA.

Catch-Up Contributions

From age 55 until you enroll in Medicare, you can contribute an additional \$1,000 annually.

Variety

The account covers a wide variety of medical, vision and dental expenses not typically covered by traditional insurance.

Portability

Your HSA stays with you if you change jobs.

Retirement

Once covered by Medicare, you can no longer contribute, but you can continue to withdraw available funds from your HSA.

HOW IT WORKS

DETERMINE ELIGIBILITY



Aside from being enrolled in an HDHP, there are a few other factors that determine if you're eligible for an HSA.

You're ineligible for an HSA if:

- You're claimed as a dependent on someone else's taxes.
 - You're covered by another plan that conflicts with the HDHP, such as Medicare, a Medical Flexible Spending Account (FSA) or select Health Reimbursement Arrangements.
 - You or your spouse are contributing to a Medical FSA.
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ADD AN HSA



When you enroll in an HSA, you set aside money in a tax-free account to pay your out-of-pocket costs. Any unspent money in your HSA remains yours, allowing you to grow your funds over time.

BUILD YOUR SAVINGS



Think of an HSA like an Individual Retirement Account (IRA) for medical expenses. The investment features of an HSA include:

- Deposits are tax-free and your money grows tax-free.
 - You decide how to invest and grow your money.
 - You can withdraw funds for qualified medical expenses anytime, tax-free.
 - When you reach age 65, you can withdraw your money without penalty and use it for whatever you want.
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INVEST



The HSA is a powerful investment vehicle. When your balances reaches the low investment threshold, you can invest your funds.

HSA vs. MEDICAL FSA

HSAs and Flexible Spending Accounts (FSAs) are two of the most common types of tax-free benefits plans. You can save big bucks with either, but they have many differences. Choosing whether to enroll in an HSA or a Medical FSA depends largely on what your health plan is.

	HSA	FSA
OWNER	Employee-owned	Employer-owned
ELIGIBILITY	Must be enrolled in a HDHP	Anyone is eligible, although you can't be enrolled in an HSA and a Medical FSA
CARRYOVER	All funds can carry over from year to year	Depending on your employer's plan, you may be eligible to carry over funds. Beyond that, any unused funds are forfeited at the end of the plan year
PORTABILITY	The HSA is portable, so the funds in the account stay with you wherever you go	FSAs are employer-owned accounts, so the funds are forfeited if you change jobs
INVESTMENT OPTIONS	You can invest HSA funds	You can't invest FSA funds
SUBSTANTIATION	It's not required, but you'll want to keep all documentation in case you're ever the subject of an IRS audit	The IRS requires substantiation for some FSA expenses to show the eligibility of the expense
AVAILABILITY OF FUNDS	Only the funds that have been contributed are available to cover expenses	All funds for the plan year are available on the first day

GETTING STARTED WITH AN HSA

CONTRIBUTIONS

Contributions to your HSA are tax-free. There are two ways to make them:

- **Pre-tax salary deductions:** If your employer offers this benefit, your payroll deductions are exempt from most state FICA and FUTA taxes as well as federal income tax (check with your employer about your state's taxes).
- **Direct contributions:** You can contribute to your HSA at any time during the year. These annual contributions will be deducted on your tax return (no need to itemize). **Note:** Your employer may also opt to make a contribution to your HSA.

TIP

You choose how much to set aside for healthcare expenses. Once you enroll in an HDHP, you can start HSA contributions the first of the following month. You may contribute up to the IRS maximum as long as you open your HSA by December 1 and remain eligible for the following 12 months.



ROLLOVERS & TRANSFERS FROM OTHER ACCOUNTS

Once per plan year, you can roll over an existing balance from a previous HSA into your current HSA. You can also transfer an existing HSA balance without time limitations.

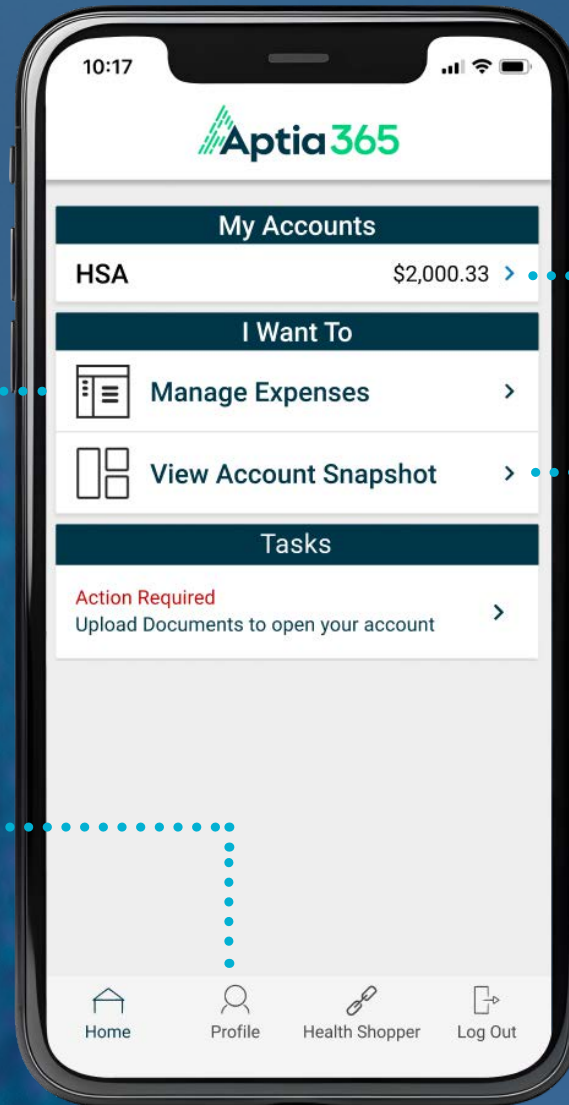
You may also perform a one-time rollover from your IRA to your HSA as long as you remain within your annual contribution limit and remain HSA-eligible for a year after you rollover.



GO MOBILE WITH YOUR HSA

To make managing your HSA as simple as possible, be sure to download the Accounts by Aptia mobile app, available for Apple or Android smartphones and tablets.

WITH OUR MOBILE APP, YOU CAN:



TRACK EXPENSES AND STORE DOCUMENTATION.

CHECK YOUR BALANCE AND VIEW ACCOUNT ACTIVITY.

REPORT A CARD AS LOST OR STOLEN TO KEEP YOUR ACCOUNT SECURE. RESET LOGIN CREDENTIALS.

VIEW YOUR ANNUAL CONTRIBUTIONS.

LOG IN WITH YOUR THUMBPRINT

DOWNLOAD THE APP FOR FREE ON APPLE AND ANDROID SMARTPHONES AND TABLETS



SPENDING

THE BENEFITS DEBIT CARD

With the Aptia debit card, using your HSA dollars has never been easier. It streamlines the process of managing multiple benefits plans with us. One card — that's all you need for all of your plans. You'll receive your card when you enroll, and you can request additional cards for your spouse and dependents 18 years or older — for free — through your online account.

Handy Features

Payments are automatically withdrawn, minimizing out-of-pocket costs. The card's technology ensures that the correct balance is pulled when you swipe it. Funds will only be pulled from your cash account and not from invested funds.

REQUESTING A DISTRIBUTION

In addition to accessing HSA funds with your benefits debit card, you can also pay for eligible expenses out of pocket and request a distribution from your HSA to reimburse yourself.

Because the main goal of an HSA is to save funds — not spend them — paying for expenses out of pocket and saving receipts in case you need a distribution later is a great way to maximize your benefits.

ELIGIBLE EXPENSES

Need a new pair of glasses? How about hearing aids? Due for a trip to the dentist? Those are just a few of the expenses an HSA covers. Other common ones are physical therapy, prescriptions and diagnostic testing.

TIP

Unlike with an FSA, purchases made with HSA funds don't require documentation. However, we recommend you save all documentation in case you're ever the subject of an IRS audit.



SAVING

HSA funds can be used on medical, dental and vision expenses, but the HSA is truly a savings account — not a spending account. Because HSA dollars roll over from year to year, the best way to maximize the benefit is to save your HSA dollars for when you need them most.

MOVING FROM SPENDER TO SAVER



DEVELOP A PLAN

Start with a small goal, such as trying to save enough money to reach your health plan's deductible. From there, set loftier goals for where you want your balance to be next year, two years from now and so on.



MONITOR YOUR BALANCE

Use the free Accounts by Aptia mobile app to easily check your balance anywhere, anytime to make sure you're meeting your savings goals.



SAVE HSA DOLLARS WHEN POSSIBLE

Spend only if necessary. Pay for smaller healthcare costs out of pocket if you can afford it, leaving your HSA funds available to you in case a big medical event crops up. You can always draw from your HSA later.



KEEP YOUR EYES ON RETIREMENT

Medicare won't cover all of your post-retirement costs. Saving money in your HSA is a great way to prepare for retirement. That's because, once you've turned 65, HSA funds can be used for any purpose, without penalty.



THE SAVINGS POWER OF AN HSA

Let's look at an example. The Smith family makes \$7,500 per month and has elected this plan year to contribute a combined \$6,900 into HSAs. Look at their take-home pay:

WITH AN HSA

COMBINED GROSS MONTHLY SALARY	\$7,500
HSA CONTRIBUTION	\$575
TAXABLE INCOME	\$6,925
TAXES	\$2,424
NET PAY	\$4,501
POST-TAX HSA EXPENSES	\$0
MONTHLY INCOME	\$4,501

WITHOUT AN HSA

COMBINED GROSS MONTHLY SALARY	\$7,500
HSA CONTRIBUTION	\$0
TAXABLE INCOME	\$7,500
TAXES	\$2,625
NET PAY	\$4,875
POST-TAX HSA EXPENSES	\$575
MONTHLY INCOME	\$4,300

WITH AN HSA, THE SMITHS SAVE

\$201/MONTH

\$2,412/YEAR

INVESTING

APTIA MAKES IT EASY FOR HSA PARTICIPANTS TO GROW HSA FUNDS THROUGH INVESTMENTS

After you've reached the low investment threshold, you'll have the option of moving your HSA funds from a cash account (which is the default) to an interest-bearing account in \$100 increments.

After that, funds are automatically transferred between the cash and interest-bearing accounts as cash account fund levels increase or decrease.

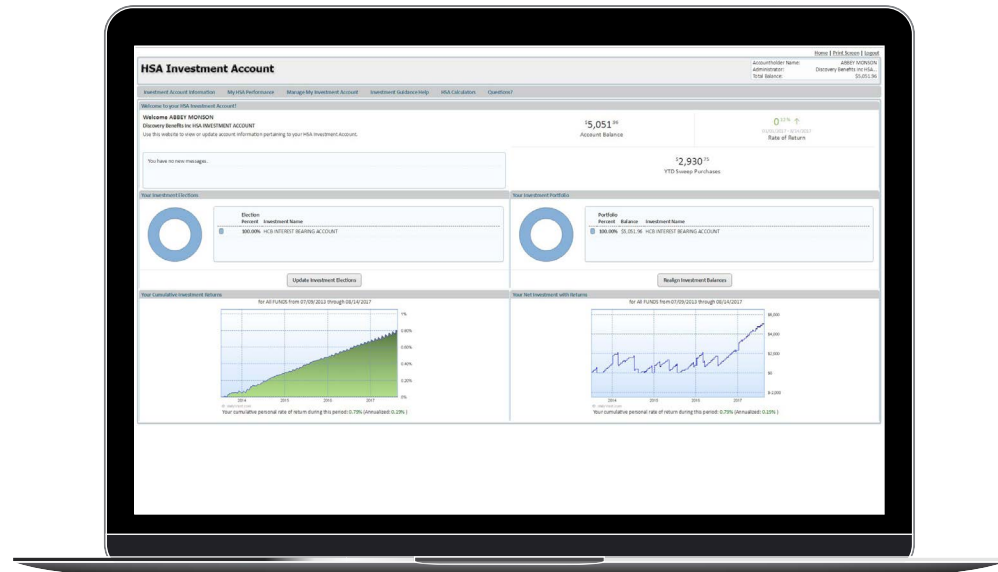
At any time, you may also invest funds from your interest-bearing account into a wide variety of mutual funds. Mutual fund shares may be automatically sold to bring the cash account balance to the minimum threshold when necessary.

Note: As with any mutual fund, your HSA investments aren't FDIC insured and are made at your own risk. They may lose value and aren't guaranteed by Aptia or the fund custodian, HealthcareBank.

INVESTMENT TOOLS

Our investment platform is integrated directly into your online account to streamline your investing. You'll be able to manage all of your investments in one place. We also offer an Investment Guidance Tool that helps determine which investments may be right for you. With the guidance tool, you can:

- Determine healthcare expense needs after retirement and create strategies for meeting them.
- Track multiple HSA accounts and healthcare expenses.
- Obtain a personalized risk assessment.
- Access probability simulations to estimate a healthcare balance at retirement.
- Learn more about investment options.
- View recommendations for specific asset class allocations.
- Get help with meeting your investment goals.





Your Privacy: HIPAA (Health Insurance Portability and Accountability Act) provides rights and protections for participants and beneficiaries in group health plans. Due to these regulations, Aptia can't disclose personal health information to any unauthorized representatives. To authorize an individual or entity to discuss your account details, complete the Authorized Representative Form. Once the form is approved, any authorized representatives can discuss account details with Aptia until their authorization is removed.

