

# Health Savings Account



*We Do More For Your Money.*

# HSA Basics

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- ❑ An HSA is an individually owned tax-advantaged account.
- ❑ You may withdraw from your HSA (tax-free) to pay for qualified medical, dental or vision expenses.
- ❑ HSA balances remaining at the end of the year will remain in the account.
  - “Rollover \$\$” – “Use it or Keep it” - *Ownership*
  - HSA money is Yours – take it with you if you leave - *Portable*
  - Unused money in your HSA will earn interest tax-free – **Savings**

# HSA Basics

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## Who is eligible for HSAs?

Any individual that:

- ❑ **Is covered by an HDHP**
- ❑ **Is not covered by other health insurance**
  - Does not apply to specific injury insurance and accident, disability, dental care, vision care, long-term care
- ❑ **Is not enrolled in Medicare**
- ❑ **Can't be claimed as a dependent on someone else's tax return**

# HSA Basics

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## What is the Maximum HSA Contribution?

- 2010 Limits
  - Individual - \$3,050
  - Family - \$6,150
  - Catch Up Contribution - \$1,000

# Role of the Bank

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While First American Bank is a relatively small part of the entire process, we do have certain duties and obligations

- ❑ The bank is the custodian of the account
- ❑ The bank has reporting requirements to the IRS
- ❑ The bank has to correct excess contributions
- ❑ The bank will establish the account and answer any questions the customer may have about the account.
- ❑ The bank does not:
  - Determine if distributions are for qualified expenses
  - Report withdrawals as anything other than medical expenses

# Bank Products and Account Features

	Health Savings Account	Health SavingsPLUS account
Monthly Account Fee	\$0 *	\$0
Monthly Investment Fee	NA	\$ 4.00
Debit Card(s)	Free	Free
On-Line Banking/Bill Payment	Free	Free
E-Statements	Free	Free
Pays Interest	Yes	Yes, on funds in the checking portion
Investment Option	No	Yes
Minimum Deposit Required	No	No

\* A \$3 monthly fee applies if the account holder elects to receive paper statements. This fee will be waived, if the combined balance in any First American Bank Checking and/or Savings account is greater than \$2,000 or if the customer elects to receive eStatements only.

Member FDIC



# Enrollment Process

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## ❑ Time Line for new accounts

- All applications will be open within 2-3 business days as long as information is accurate, complete and passes our verification system.

## ❑ Debit Card / Checks

- A debit card is ordered once the application has been processed and the account established. Debit cards will be mailed within 7-14 business days of the account being established. Debit Cards are mailed separately (for your security) from the checks or new account welcome package and are in blank white envelopes.

(please do not discard as junk mail)

- Checks, if requested, will be ordered after the first deposit has been posted to the account.

## ❑ New Account Welcome package

- Employees will receive a white package containing several disclosures and documents, some of which need to be signed and returned. This package will also contain their account number.

A Practical Example:

# Health Savings Account



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# Can I Visit Any Doctor?

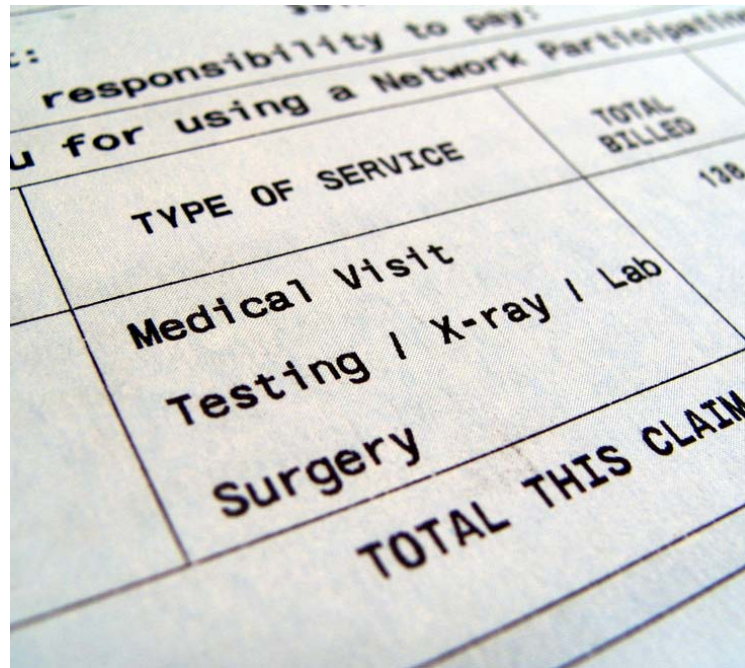
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You visit your  
in-network  
doctor



# What Do I Have To Pay At The Time Of My Visit?

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responsibility to pay:  
u for using a Network Participant

TYPE OF SERVICE	TOTAL BILLED
Medical Visit	138.
Testing   X-ray   Lab	
Surgery	
TOTAL THIS CLAIM	

**You pay  
nothing during  
your visit.**

# How Do I Get Billed?

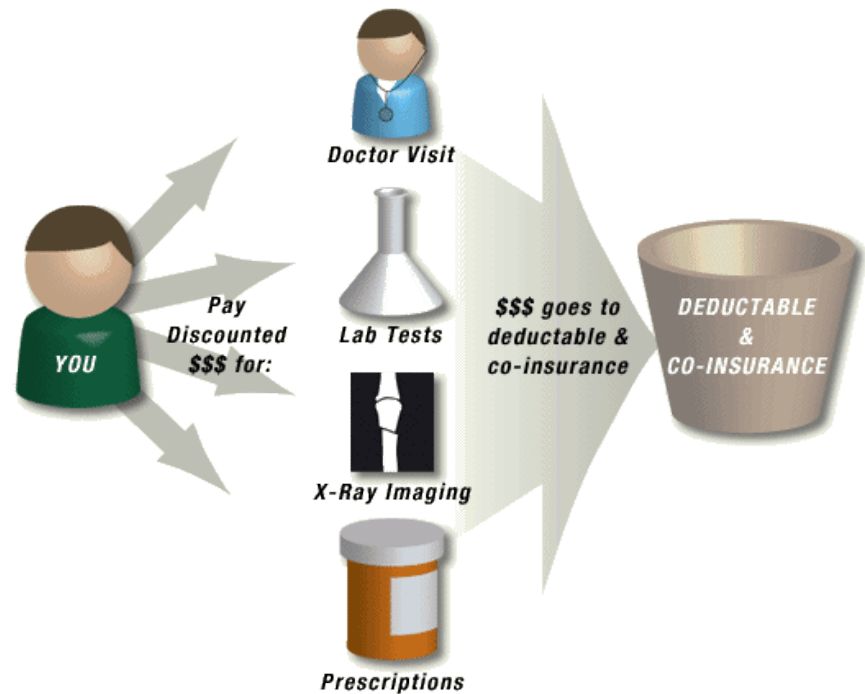
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**Your doctor's office  
sends your bill to  
your Health  
Insurance Carrier.**



# Who Receives The Bill?

The insurance carrier receives the bill and applies the negotiated network discount



That amount is also also applied to your deductible.

# Insurance Carrier Sends An Explanation Of Benefits (EOB)

The insurance carrier sends a EOB to you and your doctor



# How Is The Doctor Paid?

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You pay using a check or  
debit card linked to  
your HSA account.

# Where Does The Money Come From?

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The money comes out of your HSA account or personal funds.



# What Happens Once Your Deductible Is Met?

Your visit to the doctor works the same way.



responsibility to pay: u for using a Network Participat	TOTAL BILLED
Medical Visit	100
Testing / X-ray / Lab	
Surgery	
TOTAL THIS CLAIM	

You will receive your EOB, showing the 100% paid by your plan

You can use funds in your HSA account to pay for other qualified medical expenses.



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# How Do I Reimburse Myself For Out of Pocket Costs?

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- You may reimburse yourself for qualified medical expenses using the following methods.
  - Withdraw money from an ATM using your HSA Debit Card
  - Send yourself an online bill payment
  - Write a check from your HSA account
  - Step into one of our nearly 50 branches and perform a withdrawal or cash a check

# What Happens If I Have Money Left Over When I Retire?

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Once you reach age 65, funds can be withdrawn for non-medical expenses without penalty.

*Your HSA is a great potential savings and investment vehicle!*

# Contact Information

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