

See how an HSA can maximize your health care advantage!

WHAT IS AN HSA?

The Health Savings Account concept combines a qualified High Deductible Health Plan with a Health Savings Account.

High Deductible Health Plan (HDHP)

The qualified HDHP provides comprehensive coverage for serious illness and injury at a more affordable rate.

Health Savings Account (HSA)

An HSA is a tax exempt account in which you accumulate savings to pay medical expenses that make up your deductible or are not covered by your plan. An HSA allows you to enjoy unique tax benefits and affordable health premiums without risking your protection. HSAs offer a way to set aside funds to pay for medical expenses for today and tomorrow.

Benefits of an HSA

Tax Benefits:

HSAs provide you with tax savings when you contribute the funds and when you use the funds. Annual contributions reduce your taxable income and funds used for qualified medical expenses are never taxed. All of the money you set aside plus the invested earnings in your HSA grows tax-deferred. At age 65, you can withdraw funds for any non-medical purpose at ordinary tax rates, or tax-free when used for qualified medical expenses.

Example of Contribution Tax Savings

Single Coverage	Family Coverage
\$2,850 (Max. Annual Contribution)	\$5,650 (Max. Annual Contribution)
\$798 (28% Federal Tax Bracket)*	\$1,582 (28% Federal Tax Bracket)*
\$143 (5% State Tax)*	\$283 (5% State Tax)*
\$941 Possible Annual Savings	\$1,865 Possible Annual Savings

*Actual tax savings will vary by state and tax bracket. This table is provided as an example of possible tax savings. Additional tax savings available on tax-deferred earnings.

The HSA Advantage

When compared to other consumer-driven health care options, an HSA provides the most flexible and long-term investment opportunities to consumers. Unlike most consumer-driven health care options, HSAs roll over from year to year, the money belongs to the individual and is portable if employment changes, availability is not limited by employer size, and funds can be used for non-medical purposes after age 65. (Ordinary tax applies.)

2007 IRS Guidelines for qualifying HDHP & Contributions

Please contact your health plan representative to determine if your plan qualifies.

	Single	Family
Minimum Deductible	\$1,100	\$2,200
Maximum Out-of-Pocket	\$5,500	\$11,000
Contribution Maximum	\$2,850	\$5,650

Contributions:

- Contributions can be made by the accountholder, any third-party on behalf of the accountholder, and an employer.
- The contribution maximum for 2007 is \$2,850 for individual and \$5,650 for family.
- Catch-up contributions are available to individuals, and their spouses, who are over the age of 55 and not enrolled in Medicare.

Distributions:

- Funds in an HSA can be used tax-free for qualified medical expenses, including over-the-counter drugs. (See IRS Publication 502 for a complete listing.)
- HSA funds can also be used tax-free to pay COBRA or other medical insurance premiums during periods of unemployment or temporary layoff while collecting unemployment compensation.
- At age 65, unused HSA funds can be withdrawn for non-medical reasons without penalty. (Ordinary income tax applies.)



WHY HSA BANK®

While many companies offer to act as custodian or trustee of your Health Savings Account by administering deposits and withdrawals to your account, **HSA Bank** offers a safe and more cost-effective alternative. By selecting **HSA Bank** as your custodian, you maximize your benefits and cost savings.

Competitive Interest Rates/Low Fees

HSA Bank offers the most attractive mix of competitive interest rates and low fees. We offer higher interest rates on HSAs than most banks offer on traditional savings or money market accounts. Our current rates are available on our website. Your account also has low balance requirements that allow you to earn higher rates of interest - faster. Charging high fees erodes, or sometimes eliminates, any cost savings advantage you have with your Health Savings Account. Additionally, **HSA Bank** will waive your monthly fee when you maintain a balance of \$3,000 or more in the account.



Convenience

HSA Bank offers a variety of contribution and withdrawal methods to provide you with quick and easy access to your account.

Contributions - Contributing to your HSA is easy with online and mail options. HSA Bank's internet banking system allows you to establish an online transfer from your personal checking account to your HSA on a one-time or recurring basis. You determine the amount and when the transfer will occur. If you prefer to send your contribution by mail, the check should be sent with a contribution form or deposit ticket to HSA Bank.

For employer or payroll contributions, please visit our website or contact us for details.

Withdrawals - Our **HSA Bank Visa**® debit card makes paying for health care quick and easy. Just present your **HSA Bank** debit card for payment of qualified medical services*. The cost of these health care services will be automatically deducted from your Health Savings Account. To make sure you receive any network discounts associated with your health plan, wait to pay the provider until you have received an explanation of benefits (EOB). If you prefer, **HSA Bank** also provides a supply of checks, for a nominal fee, to access your account. If you pay your expenses out-of-pocket, you also have the option to submit a withdrawal form and **HSA Bank** will send you a distribution check.

**Please note that this card may not be used at all merchants who accept Visa debit cards.*



Peace of Mind

All bank accounts opened with **HSA Bank** are FDIC-insured through our parent company, Webster Bank, N.A. An FDIC-insured account ensures your HSA funds are safe and secure.

Customer Service

HSA Bank understands that you may have questions or concerns about your HSA. Our dedicated Personal Bankers are available Monday through Friday (except holidays), from 7 a.m. to 9 p.m., CST, to answer any of your questions. Dedicated Spanish-speaking representatives are also available Monday through Friday (except holidays), from 7 a.m. to 7 p.m., CST.



Informative Website

HSA Bank knows you need convenient, reliable information and resources. The **HSA Bank** website provides valuable information about HSAs, including: eligibility, account opening, legislative details, and online enrollment.

Internet Banking

HSA Bank has designed an internet banking system tailored to the health savings account industry. Through internet banking you will have access to:

- ◆ Transaction detail
- ◆ Check images
- ◆ Year to date account information
- ◆ An 18-month account history to facilitate tax reporting
- ◆ Email Alerts of contributions and distributions
- ◆ Online contribution capabilities
- ◆ Health care resources

And more...

Investment Options

You can put your HSA funds to work for you and earnings on the investments are tax deferred. To learn more about the investment options available, please contact your health care representative or visit our website.



IMPORTANT INVESTMENT NOTICE:

Investment accounts are not for everyone, so please consider carefully. Additional fees may apply.
Investment Accounts are Not FDIC Insured. Not Bank Guaranteed. May Lose Value.

ABOUT HSA BANK



HSA Bank has provided dedicated Medical Savings Account administration services since 1997 and has extended the same level of commitment to Health Savings Accounts since January 1, 2004. We are an industry leader providing Health Savings Account administration in all 50 states and Washington D.C.

HSA Bank is located in Sheboygan, Wisconsin, one hour north of Milwaukee. **HSA Bank** is a division of Webster Bank, N.A. Webster Bank is one of the 50 largest banks in the United States and the largest independent bank headquartered in New England.

Our mission of **“High Tech, High Touch, High Satisfaction”** reiterates our commitment to the continued growth and wide-spread acceptance of the HSA concept. ‘High Tech’ describes our continued pursuit of new, innovative technologies that will facilitate a consumer-directed philosophy by making involvement and interaction more convenient. ‘High Touch’ emphasizes our focus on personal service and attention as the expectation, not the exception. And, ‘High Satisfaction’ serves as a reminder that our product is service-based, and each employee must strive for satisfaction in personal development and client satisfaction.

The Next Steps...

1) Is an HSA right for you?

An HSA provides many benefits including: premium savings, long-term investment potential, tax benefits, and more control over your health care spending. To determine if an HSA is right for you, consider the following factors:

- Will you save premium dollars by selecting the HSA? If so, how much?
- Will you or your employer be contributing to your HSA?
- Are you aware of the tax savings on contributions, distributions, and as funds grow?
- What type of health care user are you?

2) Are you eligible for an HSA?

Once you have determined an HSA is right for you, you will need to determine if you are eligible. You are eligible to open a Health Savings Account if you meet the requirements defined by the IRS below:

1. You are covered under a qualifying High Deductible Health Plan (HDHP). Ask your health plan representative about obtaining coverage.
2. You are not covered under any other health plan than the HDHP.
3. You are not enrolled in Medicare (typically age 65).
4. You cannot be claimed as a dependent on another person's tax return.

3) Open an HSA

HSA Bank has made enrolling in an HSA convenient with online, electronic, and paper enrollment options. Please contact your health plan representative for specific enrollment instructions or visit our website. Before you begin the enrollment process, please have the following information available. Your application will not be complete unless all information is provided.

- Personal information used to verify your identity: Social Security Number, Date of Birth, Street Address

If listing a POA, the information below will be required.

- Authorized Signer: Name, Social Security Number, Date of Birth, Street Address

4) Watch your mail

Once HSA Bank receives your completed enrollment information, your Health Savings Account will be established. Please watch for the following communication:

- Notification of account opening:** *If you provide your email address at the time of enrollment, you will receive an email notification that your account has been opened.*
- Account Welcome Kit:** *Your account welcome kit will provide you with your account number, important account information, and additional disclosure information.*
- Debit Card(s) and PIN Mailer (If requested):** *Debit cards and PIN will arrive 8-10 business days from account opening. Debit cards and PIN are mailed separately and will arrive in a plain white envelope.*
- Checks (If requested):** *Checks will arrive 8-10 business days from account opening.*



605. N 8th Street, Suite 320, Sheboygan, WI 53081-4525

P.O. Box 939, Sheboygan, WI 53082-0939

Toll-Free Phone: (800) 357-6246

Fax: (877) 851-5274

Email: askus@hsabank.com

www.hsabank.com