



Health Savings Accounts

A flexible, tax-free option for you
and your employees

If you offer a high-deductible health plan (HDHP), the employees who participate in that plan may be eligible to contribute to a Health Savings Account (HSA)—a flexible, tax-free way to save for their medical expenses. By establishing an HSA program at your company, you're opening the door to a host of benefits for you and your employees.

This brochure is intended to provide general information on federal tax laws governing HSAs. It is not intended to provide legal advice or to be a detailed explanation of the rules or how such rules may apply to your individual circumstances or under your state tax laws.

For specific information, you are encouraged to consult your tax or legal professional. IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, the instructions to IRS Form 8889, and the IRS's web site, www.irs.gov, may also provide helpful information.

CUSTOMER IMPRINT HERE



Learn how consumer-driven
healthcare can benefit your business.

Expanded Availability

Unlike Archer Medical Savings Accounts, HSAs are available to everyone, not just the employees of small businesses and the self-employed.

Tax-Free Benefits

HSAs allow you and your employees to make contributions and earn interest tax free. Plus, the distributions (the assets withdrawn) are also tax free as long as they're used for qualified medical expenses.

Flexibility in Spending

The assets in an HSA can be used to pay for—or reimburse—qualified medical expenses, such as health insurance deductibles, co-payments, certain over-the-counter medications, and out-of-pocket expenses.

Year-to-Year Savings

You've heard the phrase, "use it or lose it." Well, an HSA isn't like that at all. HSA balances carry forward year to year, allowing you and your employees to budget for health expenses and build up savings to cover qualified medical expenses when the need arises.

Individual Ownership

An HSA is owned by each individual. So, it's his or her responsibility to maintain.

Contribution Options

As an added benefit to your employees, you can choose to make contributions to their HSAs.

The annual contribution limit is based on the type of HDHP coverage. For 2008, the limit for an individual with self-only coverage is \$2,900 and family coverage is \$5,800. For 2009, the limit increases to

\$3,000 for self-only coverage and \$5,950 for family coverage. These limits are subject to annual cost-of-living adjustments (COLAs).

Individuals who are age 55 or older by the end of their taxable year and not enrolled in Medicare may make additional contributions up to \$900 for 2008 and \$1,000 for 2009 and later years.

Find out more today

As you can see, offering an HSA program (in conjunction with an HDHP) provides benefits to both you and your employees. Call us or stop in to find out more.

Account	Flexible Spending Account	Health Reimbursement Arrangement	Health Savings Account
What type of plan is required?	Any type of plan	Any type of plan	HDHP required IRS-defined parameters
Who owns the account?	Employer	Employer	Employee
Who can fund the account?	Employee	Employer	Employee, Employer
Does the account accrue interest?	No	Yes (but not typical)	Yes
Do assets carry over or roll over to the next plan next year?	Limited	Depends on how the plan is set up	Yes
Is the account portable?	No	No	Yes
Is there a catch-up provision?	No	No	Yes

Copyrighted Sample
Do Not Reproduce