



Health Savings Accounts

Flexible, tax free, and yours when you need it.

Healthcare spending on your terms

If you have a high-deductible health plan (HDHP), you may be eligible for a Health Savings Account (HSA)—a flexible, tax-free way to save for medical expenses. Besides helping to provide peace of mind, HSAs offer many advantages.

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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.

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Tax-Free Benefits

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

Flexibility in Spending

You can use the money in your HSA to pay for—or reimburse—qualified medical expenses for you and your family members. Those expenses could include 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. Your HSA balance will carry forward year after year, allowing you to budget for your health expenses and build up your savings to cover qualified medical expenses when the need arises.

Individual Ownership

An HSA is owned by you, not your employer. So, it's your responsibility to maintain. Ask us for more details.

Contribution Options

Although this is an individual account and goes with you from career to career, your employer may choose to make contributions to your HSA as an added benefit to you.

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.

Start Saving Today

If you'd like to take advantage of the flexible, tax-free features of an HSA, please 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

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