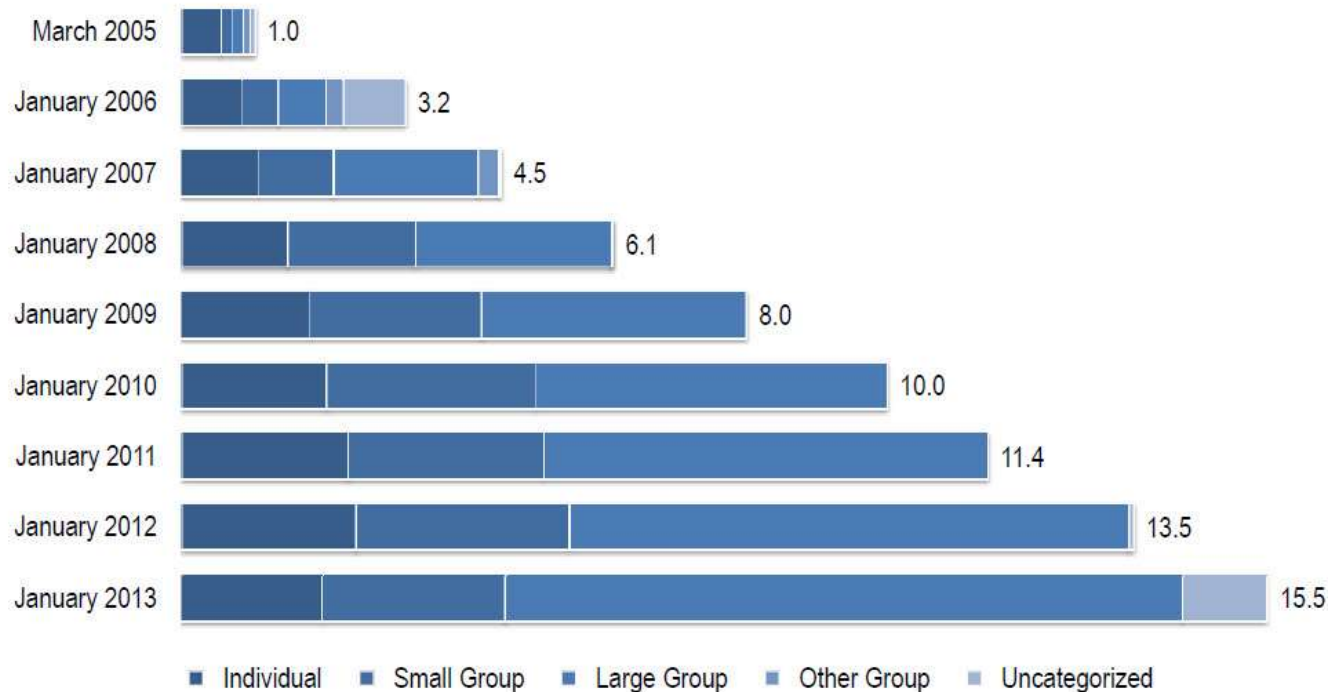


Health Savings Accounts!

A healthy financial choice...

An abstract graphic consisting of several parallel white diagonal lines of varying lengths and positions, extending from the bottom right towards the top right of the blue background.

Growth of HSA-Qualified High-Deductible Health Plan Enrollment, Covered Lives (Millions), March 2005 to January 2013



Sources: AHIP Center for Policy and Research, 2005 – 2013 HSA/HDHP Census Reports.

Notes: For this census, companies reported enrollment in the large- and small-group markets according to their internal reporting standards, or by state-specific requirements for each state. The "Other Group" category contains enrollment for companies that could not break down their group membership into large- and small-group categories within the deadline for reporting. The "Uncategorized" category was necessary to accommodate companies that were able to provide information on the total number of people covered by HSA/HDHP policies, but did not provide a breakdown by market category within the deadline for reporting. HSAs were authorized in 2003 and entered the market in January 2004.

- 1450% growth in 8 years!

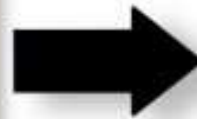
- Why?

- Value to business and employee

Health Insurance and Health Savings *together*.

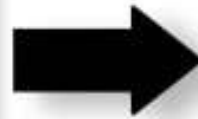
**H
S
A**

PART 1:
High Deductible
Health Plan
(HDHP)



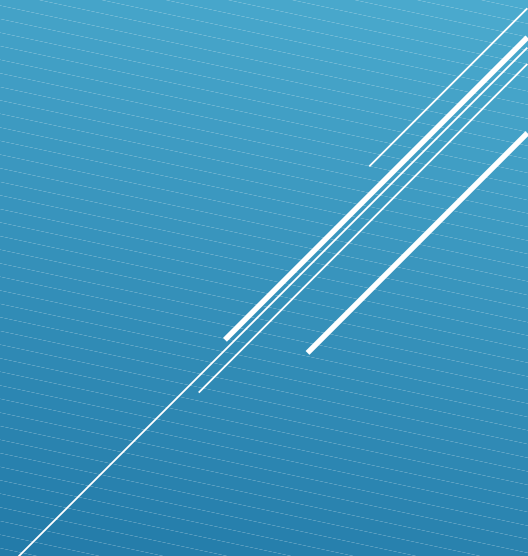
Intended to cover serious illness or injury once the deductible has been met.

PART 2:
Health Savings
Account
(HSA)



Used to cover small and routine medical expenses until the deductible is met.

Qualifying for an HSA

- Must have an HDHP
 - No additional health coverage*
 - Not on Medicare
 - Not a Dependent
- 
- A series of white lines of varying lengths and orientations are positioned on the right side of the slide, extending from the middle to the bottom right corner.

But what does high deductible mean?

	Minimum Deductible	Maximum Out-of-Pocket*
Single	\$1,300.00	\$6,450.00
Family	\$2,600.00	\$12,900.00

*Max out-of-pocket expenses does not apply to out-of-network providers.

Be sure to review provider network to avoid additional costs!

Several thin, white, parallel diagonal lines are positioned on the right side of the slide, extending from the middle towards the bottom right corner.

Wait a minute...back up...

I have additional health coverage!

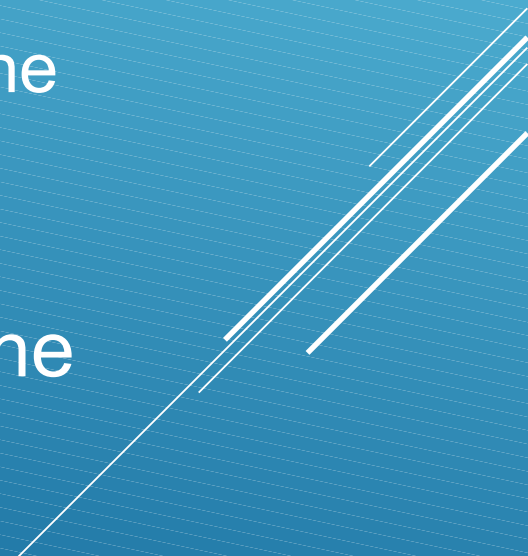
- Worker's comp./tort/ownership liabilities OK.
 - Specific disease or illness OK.
 - Per diem hospitalization OK.
 - Accidents, Disability, Dental Care, Vision Care, and Long-term care policies are all OK.*
- 
- A series of white lines of varying lengths and orientations are positioned on the right side of the slide, extending from the middle to the bottom right corner.

The IRS is confusing...

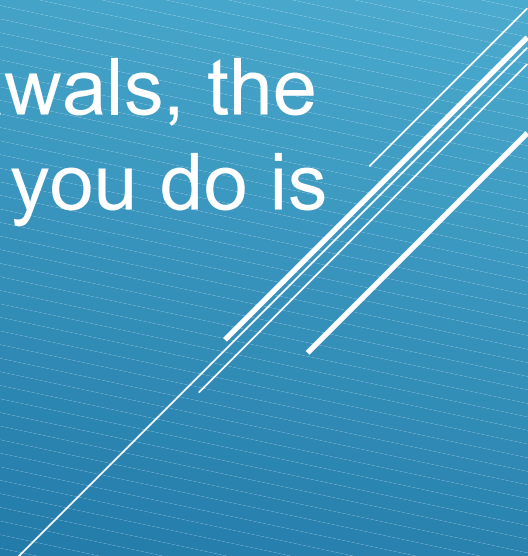
*Some policies can limit your participation in an HSA if they are *substantially* for the previous items.

If your plan provides benefits *before* meeting the deductible, proceed with caution.

If you have additional coverage, consult the provider and get something in writing.

A series of white lines of varying lengths and orientations are positioned on the right side of the slide, extending from the middle section down towards the bottom.

Wait... I have to deal with the IRS?

- Thankfully, no.
 - We document your deposits & withdrawals, the insurance company does it's thing, all you do is swipe!
- 
- A series of three parallel white diagonal lines in the bottom right corner of the slide.

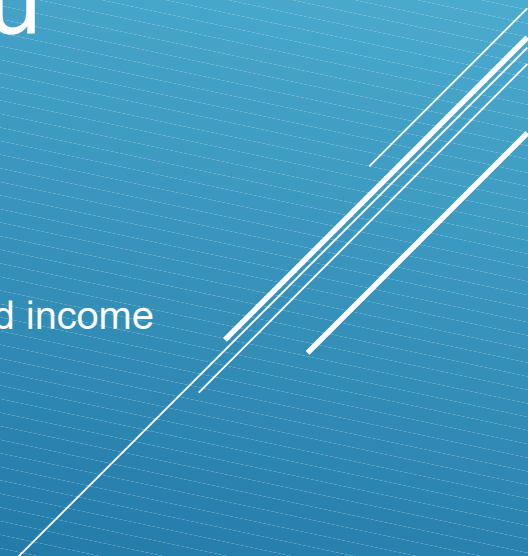
“Triple tax advantages”

- Income-tax Deductible.
 - Tax-deferred Growth.
 - Tax-free for Qualified Expenses.
- 
- A series of white lines of varying lengths and slopes are positioned on the right side of the slide, extending from the middle towards the bottom right corner.

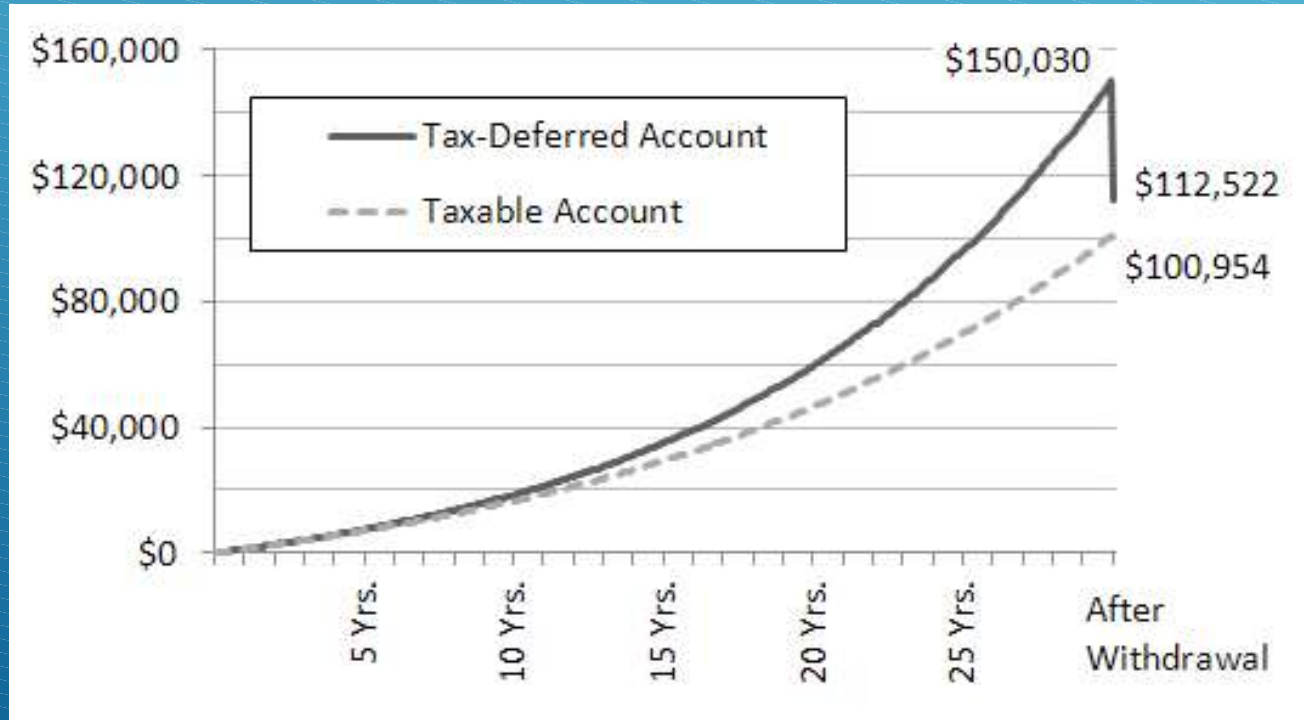
Income-Tax Deductible

- Contributions can be deducted from gross income whether or not you itemize!

Contributions by your employer CANNOT be deducted... but those aren't considered income anyway.

A series of white diagonal lines of varying lengths and thicknesses, located in the lower right quadrant of the slide, extending from the right edge towards the center.

Tax-deferred Growth



Your money grows
without additional
taxation!

Tax-free for Qualified Expenses

- The IRS allows tax-free withdrawals for essentially any *medical* expense.
 - Preventative care and screenings are included.
 - Any withdrawals for non-qualified expenses are taxed as income *plus a 20% penalty!*
- 
- A series of white diagonal lines of varying lengths and thicknesses, located on the right side of the slide, extending from the middle to the bottom right corner.

So what is a qualified expense again?

Eligible medical expenses may include:

Acupuncture
Alcoholism
Ambulance
Annual Physical Examination
Artificial Limb
Artificial Teeth
Autoette
Bandages
Birth Control Pills
Body Scan
Braille Books and Magazines
Breast Pumps and Supplies
Breast Reconstruction Surgery
Capital Expenses
Car
Chiropractor
Christian Science Practitioner
Contact Lenses
Crutches
Dental Treatment
Diagnostic Devices
Disabled Dependent Care Expenses
Drug Addiction
Drugs
Eye Exam
Eyeglasses
Eye Surgery
Fertility Enhancement
Founder's Fee
Guide Dog or Other Service Animal
Health Institute
Health Maintenance Organization (HMO)
Hearing Aids

Home Care
Home Improvements
Hospital Services
Insurance Premiums
Intellectually and Developmentally Disabled, Special Home for
Laboratory Fees
Lactation Expenses
Lead-Based Paint Removal
Learning Disability
Legal Fees
Lifetime Care—Advance Payments
Lodging
Long-Term Care
Meals
Medical Conferences
Medical Information Plan
Medicines
Nursing Home
Nursing Services
Operations
Optometrist
Organ Donors
Osteopath
Oxygen
Physical Examination
Pregnancy Test Kit
Prosthesis
Psychiatric Care
Psychoanalysis
Psychologist
Special Education

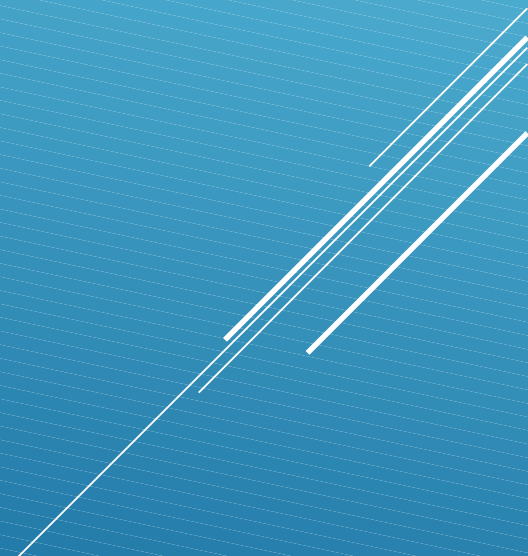
Visit: [Irs.gov](https://www.irs.gov)

See: Publication 502/969

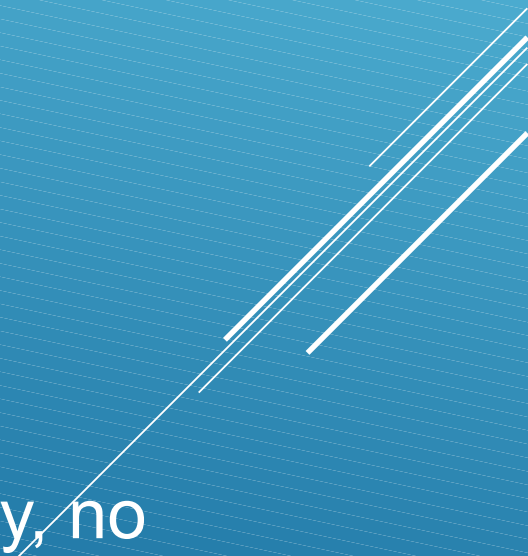
What about prescriptions?

- Absolutely!
 - Insulin is also eligible.
 - If you can buy it OTC, get a prescription.
- 
- Several thin, white, parallel diagonal lines are positioned in the lower right quadrant of the slide, extending from the bottom right towards the center.

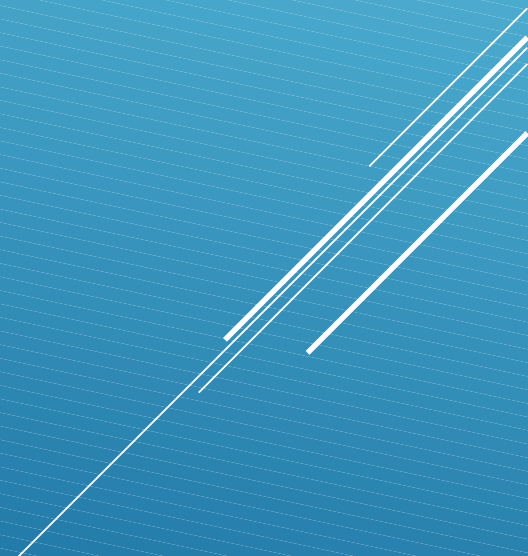
What about premiums?

- Generally, no.
 - Long-term-care insurance is OK.
 - COBRA is OK.
 - While receiving unemployment.
 - Medigap OK...
- 
- A series of white diagonal lines of varying lengths and thicknesses, located on the right side of the slide, extending from the middle towards the bottom right corner.

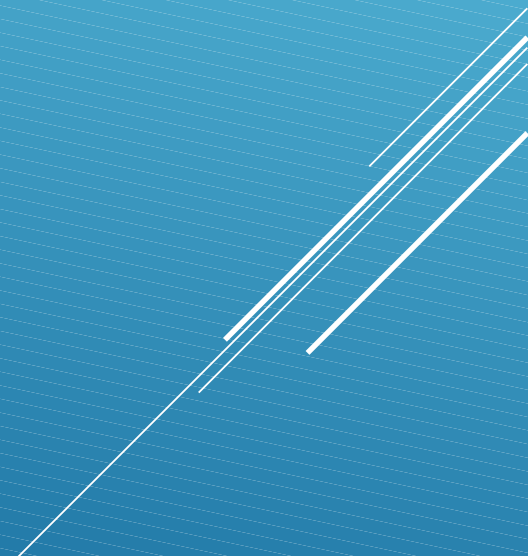
What about...

- Cosmetic Surgery? No
 - Health Club Dues? No
 - Illegal Operations/Treatment? No
 - Maternity Clothes? No
 - Toiletries? Sorry, no
- 
- A series of several parallel white lines of varying lengths and orientations, located on the right side of the slide, extending from the middle to the bottom.

Additional Benefits:

- Portability
 - No “use it or lose it”
- 
- A series of white lines of varying lengths and orientations are positioned in the lower right quadrant of the slide, creating a modern, abstract graphic element.

Portability = Rollover

- You do not need to be enrolled in an HDHP.
 - Rollovers are not contributions.
 - You can do one annually.
 - You must place funds within 60 days.
- 
- A series of white diagonal lines of varying lengths and thicknesses, located in the lower right quadrant of the slide, extending from the right edge towards the center.

So how much can I put in this account?

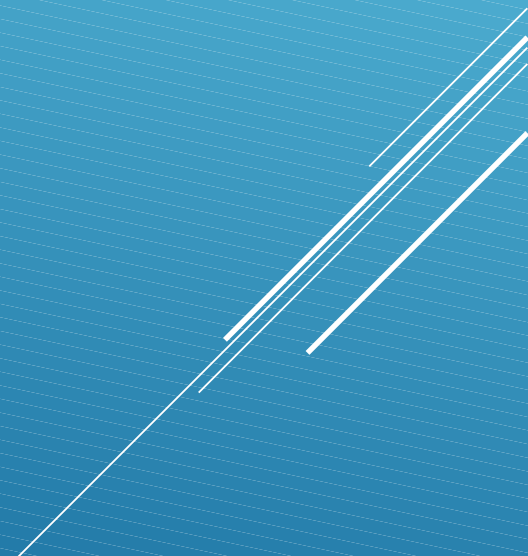
	Contribution Limit	55+ Limit
Single	\$3,350.00	\$4,350.00
Family	\$6,650.00	\$7,650.00

*Excess contributions are *generally* taxed at 6%.
Consult form 5329 to figure the tax; you *may* be able to deduct contributions from prior years.

Reporting Contributions

- We send a form 5498-HSA by January 30.
 - You use a form 8889 along with your 1040 or 1040NR.
 - You can contribute until April 15 for the previous tax year.
- 
- A series of white diagonal lines of varying lengths and thicknesses, located on the right side of the slide, extending from the middle towards the bottom right corner.

What if I put the money away but need it for something else?

- Any withdrawals for non-qualified expenses are taxed as income *plus* a 20% penalty!
 - 65+, total disability, death are exceptions.
- 
- A series of white lines of varying lengths and orientations are positioned on the right side of the slide, extending from the middle towards the bottom right corner.

What if I die?

- Ownership transfers to your spouse as an HSA.
 - If beneficiary is not your spouse, it is not an HSA, and is taxable at fair market value.
- 
- A series of three parallel white diagonal lines extending from the right edge of the slide towards the center, positioned to the right of the second list item.