

# Health Savings Accounts

## 2019 Quick Reference Guide

A Health Savings Account (HSA) is a tax-favored account owned by an individual in which funds accumulate to pay for eligible medical expenses working in conjunction with a High Deductible Health Plan.

### TRIPLE TAX BENEFITS

- Contributions are tax-deductible.
- Growth is tax-deferred.
- Withdrawals are tax-free when used for qualified medical expenses.

### CONTRIBUTIONS

- Contributions can be made by the account holder, employers, or any third party on behalf of the account holder.
- Contribution maximums are set by the IRS each year and are not limited by your health plan's deductible amount.
- Catch-up contributions are available to an individual and their spouse who have reached the age of 55 and are not enrolled in Medicare.

| 2019 IRS LIMITS             |         |          |
|-----------------------------|---------|----------|
|                             | SINGLE  | FAMILY   |
| MINIMUM DEDUCTIBLE          | \$1,350 | \$2,700  |
| MAXIMUM OUT-OF-POCKET       | \$6,750 | \$13,500 |
| MAXIMUM CONTRIBUTION        | \$3,500 | \$7,000  |
| CATCH-UP CONTRIBUTION (55+) | \$1,000 | \$1,000  |

### DISTRIBUTIONS

- Funds in the HSA can be used tax-free for qualified medical expenses. See IRS Publication 502 for a complete listing of qualified medical expenses.
- At age 65, you can withdraw funds for non-medical purposes at regular tax rates.
- No "use it or lose it" rules; once your money is in an HSA, it rolls over from year to year.

### PRODUCT BENEFITS

- Up to two debit cards included.
- Checks available upon request (price varies).
- Debit Card (with unlimited point-of-sale transactions).<sup>4,5</sup>
- FDIC Insured.

### Online Banking, Mobile Banking<sup>1</sup> & Bill Pay

- 24/7 access to your account and balance.
- View transaction history and checks written.
- Bill Pay saves you time and money.

### Competitive Interest Rate<sup>2</sup>

- Tiered rate, based on account balance.
- Compounded and credited monthly.
  - \$0-2,499 = 0.25% APY
  - \$2,500-4,999 = 0.30% APY
  - \$5,000-14,999 = 0.35% APY
  - \$15,000+ = 0.60% APY

### FEE SCHEDULE<sup>3</sup>

- Balances \$0-\$2,999.99 = \$2.50/month
- Balances \$3,000+ = No Fee

### INVESTMENT OPTION

- Choice Financial account holders with a balance over \$3,000 have the opportunity to grow their HSA through expanded investment options.

#### IMPORTANT INVESTMENT NOTICE:

Investment accounts are not for everyone, so please consider them carefully. Additional fees may apply. Investment accounts are not insured by the FDIC or any other Federal Government agency. Investments are not a deposit or other obligation of, or guaranteed by any bank or their affiliates. Investments are subject to risks, including the possible loss of principal amount invested.

<sup>1</sup>Fees may be assessed by your mobile service provider. <sup>2</sup>Annual Percentage Yield. Rate effective 9/24/18. Interest is compounded and credited monthly. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (e.g. checks). Rates subject to change at any time. Fees may reduce earnings. <sup>3</sup>A monthly service charge of \$2.50 will apply, waived on daily minimum balances over \$3,000. <sup>4</sup>Certain restrictions may apply. <sup>5</sup>Subject to approval.

HELPLINE 866.702.9033

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Live help available 8:00 am to 6:00 pm CST  
Monday—Friday

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# Health Savings Accounts

## Frequently Asked Questions

### Who is eligible to open an HSA?

To open an HSA, you must meet the following criteria:

- Must be covered by a high deductible health plan (HDHP)
- Not covered by another health plan
- Not eligible to be claimed as a dependent on another person's tax return
- Not entitled to Medicare benefits

### Who can contribute to my HSA?

Any eligible individual may contribute to an HSA. If the HSA was established by the employer on behalf of the employee, either the employer or employee can contribute.

### What are the contribution limits?

Please see chart on the Quick Reference Guide.

### What can I spend my HSA funds on?

You can use your HSA funds to pay for any qualified medical expense. Qualified medical expenses are a defined term created by the IRS and include: medical, dental and vision. Please refer IRS Publication 502 or the Eligible Medical Expenses sheet on our website.

### If my spouse has a non-HDHP, would that prohibit me from getting an HSA?

No, as long as you have a qualifying high deductible health plan, you may open a health savings account.

### My wife and I have family coverage; can we both open an HSA?

Yes. You may both open an HSA however; the total amount that may be contributed to your HSAs is the family limit (see chart in Quick Reference Guide).

### If I leave my job, what happens to my HSA?

Your HSA belongs to you, so you may continue to use the funds in the account to pay for medical expenses.

### What are "catch-up" contributions?

Individuals aged 55 and older may contribute an additional \$1,000 to their HSA each year, in addition to their yearly maximum.

### I'm 65 and covered under a HDHP, can I still contribute to an HSA?

Yes, as long as you are not enrolled in Medicare Part A or B. Once you are enrolled in Medicare, you are no longer eligible to contribute to an HSA.

### What tax documents do I receive at the end of the year?

1099-SA will be mailed in January and shows your distributions and a 5498-SA will be mailed in May and shows your contributions. (The 5498-SA is not mailed until May because you are eligible to make prior year contributions up until the tax deadline for the year.)

### What happens to my funds when I pass away?

Your funds will be transferred to your spouse, if you are married. Your funds will be transferred to the named beneficiary on your account, if you are not married.

### Do I ever lose the funds if I don't spend them?

No, the funds transfer over from year to year.

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