



General Information Concerning the Health Savings Account (HSA)

Thank you for choosing **hsa Trustees Services** for your Health Savings Account. We have partnered with our **hsa Trustee Bank**, the HSA division of Benchmark Bank in Plano Texas, and of course, all accounts are insured by the FDIC up to \$250,000.

An HSA is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses of the account beneficiary who, for the months for which contributions are made to an HSA, is covered under a high-deductible health plan.

You may enjoy several benefits from having an HSA, including but not limited to;

- The interest or other earnings on the assets in your HSA are federally tax-free and in most states, are also exempt from state taxation. Please consult your tax advisor for more information.
- You can claim a 100% tax deduction for contributions you make even if you do not itemize your deductions on Form 1040.
- The contributions remain in your HSA from year to year until you use them.
- Funds distributed from the HSA are not taxed if they are used to pay qualifying medical expenses.
- An HSA is “portable” so it stays with you if you change employers or leave the work force.
- Both employees and the employer may contribute to the HSA

To encourage saving for health expenses after retirement, **HSA owners between age 55 and older and who are not enrolled in Medicare are allowed to make an additional catch-up contribution** of \$1,000 per year per qualified individual in 2009, and beyond) to their HSA. If you have a family HDHP and both people are eligible for the Catch Up contribution, each person needs to set up their own HSA. The IRS will not allow two catch up contributions into one HSA.

To qualify for an HSA, you must be an **eligible individual**: An “eligible individual” means, with respect to any month, any individual who: (1) is covered under a high deductible health plan (HDHP) on the first day of such month; (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing certain limited types of coverage); (3) is not “entitled” (meaning eligible and enrolled) to benefits under Medicare; and (4) may not be claimed as a dependent on another person’s tax return.

HSA Compatible High Deductible Health Plan (HDHP):

- 1) A higher annual deductible than typical health plans, and
- 2) A maximum limit on the annual out-of-pocket medical expenses that you must pay for covered expenses.

2009 HSA Limits	Minimum deductible	Maximum Out-Of-Pocket Limit	Maximum Contribution	Catch-Up Contribution per qualified individual
Self Only Coverage	\$1,150	\$5,800	\$3,000	\$1,000
Family or Self plus other coverage	\$2,300	\$11,600	\$5,950	\$1,000

Contributions to Your HSA

Any eligible individual may contribute to an HSA.

For an HSA established by an employee as part of group coverage, the employee, the employee's employer or both may contribute to the HSA of the employee in a given year.

For an HSA established by a self-employed (or unemployed) individual, the individual may contribute to the HSA.

Family members, churches or others may also make contributions to an HSA on behalf of a qualified individual and it is that individual who receives the money who receives also the tax deduction.

You may make the full year's contribution as long as your qualifying insurance is in force as of December 1st. However, if you make a full year's contribution when you had partial year qualifying coverage, you must keep the qualifying insurance for a full year and then until December 31st to avoid having over-contributed.

Features & Benefits of the HSA Trustee Services account

- Free Debit Card for account holder and additional signer
- No monthly or annual maintenance fees for basic HSA account
- One-time setup fee of \$25 for paper applications
- Interest on deposits credited monthly
- Unlimited withdrawals and transactions allowed each month for qualified medical expenses
- Optional Checkbook availability.
- No minimum balance requirement
- Free Online Banking (requires separate registration)
- Deposits are FDIC insured
- Certificates of Deposit in the HSA account available
- Free discount drug card available on our website

For more information, please visit our website www.hsatrusteesservices.com , or e-mail your question to hsainfo@hsatrusteesservices.com or call us at **866-472-2010**.