

WESTconsin Credit Union Health Savings Accounts

HSA CHECKING

- ✓ Solely owned account-may appoint Health Savings Power of Attorney
- ✓ No monthly, annual, transaction or transfer fees
- ✓ Higher dividend rates on all balances
- ✓ Free checks and/or debit card to access funds
- ✓ Able to receive Direct Deposit
- ✓ Monthly statement
- ✓ Access account information or make transfers using CALL-24 or WESTconsin Online
- ✓ Not eligible for overdraft privilege or Ready Reserve

ACCOUNT OVERDRAFTS

- ✓ **Withdrawals of any type, including those accessed through check writing and debit cards, are limited to the available account balance**
 - ✓ An extension of credit between an HSA and the trustee or custodian of the HSA will result in a prohibited transaction
 - ✓ If a prohibited transaction occurs, the account ceases to be an HSA and the fair market value of the account as of January 1 of that year is treated as if distributed on January 1 to the HSA owner

HSA CERTIFICATE

- ✓ 12 month certificate
- ✓ Interest compounded monthly
- ✓ Rate adjusted at maturity date
- ✓ \$500 minimum balance to open
- ✓ Additional contributions accepted
- ✓ Penalty for early withdrawal

REPORTING

- ✓ All contributions are reported to the IRS and HSA owner on Form 5498-SA
- ✓ All withdrawals are reported to the IRS and HSA owner on Form 1099-SA

To open a WESTconsin Health Savings Account, visit your local office.

PLEASE BE PREPARED TO ANSWER THE FOLLOWING:

- ✓ Is this a single or family insurance plan?
- ✓ Do you want to appoint a Power of Attorney?
- ✓ Do you want to list beneficiaries?
- ✓ If so, please provide their:
 - ✓ Name
 - ✓ Address
 - ✓ Social Security Number
 - ✓ Date of birth



Health Savings Accounts

IS AN HSA RIGHT FOR YOU?



WESTconsin[®]
CREDIT UNION

Federally insured by NCUA

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westconsincu.org



What is a Health Savings Account?

Health Savings Accounts (HSAs) are like personal savings accounts, but the money can only be used for health care expenses. You—not your employer or insurance company—own and control the money in your health savings account. The money you contribute is not taxed. To be eligible to open a health savings account, you must be enrolled in a high-deductible insurance plan. *See IRS Publication 969 for more information regarding HSAs.*

IS A HEALTH SAVINGS ACCOUNT RIGHT FOR YOU?

Like any health care option, HSAs have advantages and disadvantages. When considering an HSA, think about your anticipated health care expenses, your financial situation and how much control you want over your health care spending. If you're generally healthy and want to save for future health care expenses, an HSA may be an attractive choice. On the other hand, if you anticipate needing expensive medical care in the next year and would find it hard to meet a high deductible, an HSA might not be your best option.

ADVANTAGES OF AN HSA	POTENTIAL RISKS
<p>With an HSA, you decide:</p> <ul style="list-style-type: none"> ✔ How much you will contribute to your account ✔ When you want to use your savings to pay for or reimburse yourself for eligible medical expenses ✔ What financial institution will administer your account ✔ Whether or not to invest some of your savings for greater potential long-term growth 	<p>People who are older and sicker may not be able to save as much as younger, healthier people who need less medical care.</p>
<p>The money in your HSA is always yours. All amounts in your HSA belong to you, and unspent balances in accounts remain in your account until spent.</p>	<p>Illness can be unpredictable, making it hard to accurately budget for health care expenses.</p>
<p>You can shop around for care based on quality and cost.</p>	<p>Some information, including cost and quality, can be difficult to find.</p>
<p>Your employer may contribute toward your HSA.</p>	<p>Pressure to save the money in your HSA might lead you to forgo care.</p>
<p>Money can be placed in your HSA on a pretax basis or may be deducted from your taxable income.</p>	<p>If you withdraw money from your HSA for nonmedical expenses, you'll have to pay taxes on it. If you're younger than age 65, you'll have to pay a 20 percent penalty, too.</p>
<p>Your account is portable, meaning your money stays put even if you:</p> <ul style="list-style-type: none"> ✔ Change jobs ✔ Change medical coverage ✔ Become unemployed ✔ Move to another state ✔ Get married or divorced 	

WHO CAN SET UP A HEALTH SAVINGS ACCOUNT?

To be eligible for an HSA, an individual generally is:

- ✔ covered under a high deductible health plan
- ✔ not covered by any health plan that is not a high deductible health plan
- ✔ not enrolled in Medicare
- ✔ not eligible to be claimed as a dependent on another person's tax return

USING YOUR HSA

HSA distributions are tax-free when used to pay qualified medical expenses as permitted under federal tax law. This includes most medical, dental and vision care, but does not include medical insurance premiums. You can pay medical expenses for yourself as well as your spouse and any dependents claimed on your tax return.

See IRS Publication 502 for information on qualified medical expenses.

HOW MUCH MONEY CAN BE DEPOSITED ANNUALLY INTO A HEALTH SAVINGS ACCOUNT?

The Internal Revenue Service decides how much you can contribute each year. Individuals or employers can contribute to an HSA at any time throughout the year up to the applicable contribution limit. If you're age 55 or better, you can make additional "catch-up" contributions. Visit the Department of the Treasury: Office of Public Affairs website for contribution requirements and qualifying medical expenses.

