



*...rising above the service you expect<sup>SM</sup>*

## INTRODUCING THE ADVANTAGE HSA

### **What is a Health Savings Account (HSA)?**

HSAs were introduced by Congress January 1, 2004 as a way to help control escalating medical costs. HSAs are part spending account, part savings account. They are used in conjunction with a High Deductible Health Plan (HDHP), and any unused money rolls over into the next year.

### **Who is eligible for an HSA?**

To qualify for an HSA, you must be covered by a High Deductible Health Plan (HDHP). You also need to be at least 18 years old. You are ineligible for an HSA if you are covered by any health insurance plan other than an HDHP, have applied for Social Security benefits, receive Medicare benefits or are claimed as a dependent on another person's tax return.

### **What is considered a qualified HSA? How much can I contribute to the HSA?**

The IRS sets limits on what health plans qualify as HSA-eligible, and how much you and your employer can collectively contribute to the HSA.

*Refer to your Benefits at a Glance for deductibles and out of pocket amounts.*

### **How does money get into an HSA?**

Pre-tax contributions may be made by an employer, an employee or both together.

Contributions to the ADVANTAGE HSA may be made via electronic contribution.

### **How can I access the money in the HSA?**

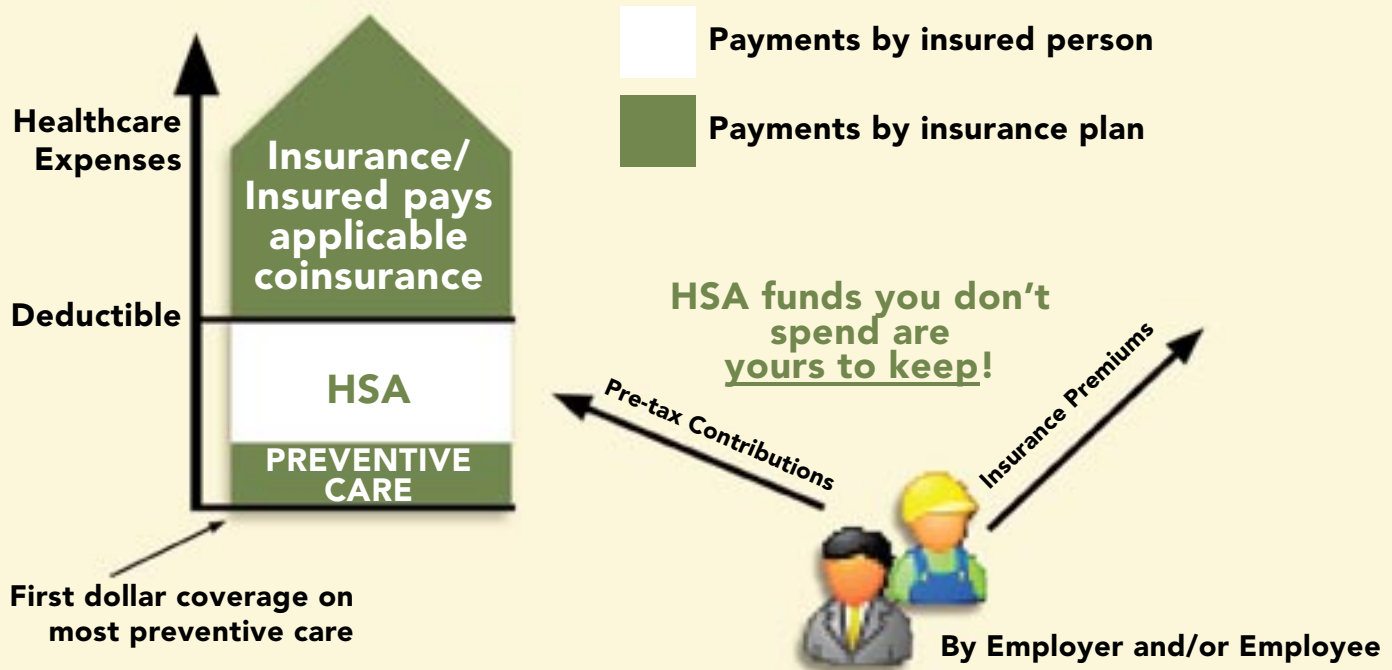
You may access the funds in the ADVANTAGE HSA using a debit card, online withdrawal or online bill pay.

### **Do I lose the money at the end of the year?**

NO. HSAs are not the same as Flexible Spending Accounts (FSAs), where unspent money in the account is forfeited at the end of each year. In an HSA, unspent funds roll over into the next year and are available for your medical needs. This unused money belongs to YOU, regardless of whether those funds were contributed by you or your employer.

# HSA's: NO MORE "USE IT OR LOSE IT"!

## HSA's and HDHP's: Who Pays for What?



### What are the benefits of an HSA?

The HSA is a savings vehicle with a triple tax advantage to help you pay for out of pocket healthcare expenses. With an HSA, money goes in tax free, grows tax free and comes out tax free. Unlike a Flexible Spending Account, (a) the HSA is portable – if you leave your employer, you keep the account and (b) unused money rolls over to next year. Plus, when you turn 65 you can use the money in the HSA for anything just like a retirement account (income taxes will apply to funds withdrawn).

### How do I use the HSA?

You use your HSA for all eligible healthcare expenses under your deductible. Once you have hit your deductible in any given year, your insurance will cover all other healthcare expenses above the deductible at the applicable coinsurance percentage until the out of pocket has been met. Most preventive care is covered at first dollar and not subject to the deductible.

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

Unfortunately, we cannot provide a definitive list of "qualified medical expenses". A partial list is provided in IRS Pub 502 (available at [www.irs.gov](http://www.irs.gov)). To be an expense for medical care, the expense has to be primarily for the prevention or alleviation of a physical or mental defect or illness.

### What if I spend the HSA funds on ineligible expenses?

If the money is used for other than qualified medical expenses, the expenditure will be taxed and, for individuals who are not disabled or over age 65, subject to a 10% tax penalty.

# MANAGE YOUR ADVANTAGE HSA ONLINE AT [WWW.ADVANTAGEPLAN.COM](http://WWW.ADVANTAGEPLAN.COM)

## What's included with my ADVANTAGE HSA?

- 24/7 Access point for the account holder
- 10-minute online enrollment process
- Funds held in FDIC-insured, interest-bearing account
- Pay doctors and receive electronic reimbursements
- Debit card access available
- Electronic receipt storage for IRS audit defense
- Track healthcare expenses and chart your activity
- Integrated investment options – over 30,000 mutual funds available
- Decision tools – provider comparisons, treatment cost calculators, drug comparisons, condition centers, etc.
- View account statements online or receive e-statements
- Generate all tax forms online (1099-SA, 5498-SA, 8889)

## How do I enroll in the ADVANTAGE HSA?

### ***Enroll Online***

1. After open enrollment, you will receive an email invitation from ADVANTAGE containing a link
2. Click on the link to begin the enrollment process
3. Follow the simple on-screen instructions to open your HSA

### ***Or Paper Enrollment***

1. Obtain enrollment forms from your HR manager or from ADVANTAGE
2. Mail or fax your completed forms to ADVANTAGE
3. Within 10 business days you will receive confirmation that your account has been established



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