



# Health Savings Account Program

A Health Savings Account can be used to help pay for current and future qualified medical expenses.

You can elect to participate in a Company-sponsored Health Savings Account, or HSA, if you:

- Enroll in the *Choice* medical option, which qualifies as a “high deductible health plan.”
- Are not covered by any other health insurance.
- Are not enrolled in Medicare.
- Cannot be claimed as a dependent on someone else’s tax return.
- Not enrolled in a health care flexible spending account (HCFSA).

## ABOUT THE HEALTH SAVINGS ACCOUNT PROGRAM

Your contributions to an HSA through the Company are deducted on a pre-tax basis and are not subject to individual or employment taxes. Every dollar you set aside in an HSA reduces your income taxes, so you take home more of the money you earn. You decide if participation is right for you each plan year, which begins each July 1. Your HSA contributions earn interest and you will receive a debit card which can be used to pay for qualified medical expenses. Please note, there is a monthly maintenance fee that is automatically deducted from your HSA account by Bank of America.

You may use the funds in your HSA to pay for qualified medical expenses. Qualified medical expenses are defined in Section 213(d) of the Internal Revenue Code

and include coinsurance for medical care and prescription drugs. These services and expenses must be incurred on or after the date the HSA was established.

You can pay for qualified medical expenses for:

- Yourself and your dependents that are enrolled in the *Choice* medical option.
- Your spouse and other dependents even if not enrolled in the *Choice* medical option.

Even if you use your HSA debit card, you should keep receipts for your payments. You may need to prove to the IRS that distributions from your HSA were for qualified medical expenses and were not otherwise reimbursed.

Also, not all health care-related expenses paid out of the HSA have to be charged against the deductible for the *Choice* option and can include dental and vision care expenses.

At the end of each plan year, unused funds in your HSA are not forfeited; they rollover from year to year. You can request a change or stop your payroll contributions to your HSA during the year by submitting an HSA Change form (located on the “Benefit Forms” page on IN-SITE) to HR Services.

If you currently contribute to the Company-sponsored HSA and remain enrolled in the *Choice* medical option, your participation in the HSA will continue.

## YOUR CONTRIBUTIONS

Each year there is a maximum amount that can be contributed to an HSA and deducted from an HSA.

Maximum HSA Contribution Limits	2014
Single Coverage	\$3,300
Family Coverage	\$6,550
Catch-up Contributions	\$1,000

For individuals age 55 through 65, you may also contribute additional "catch-up" contributions to your HSA. Contributions must stop once an individual is enrolled in any type of Medicare. Contact Bank of America for details concerning catch-up contributions.

The funds in your HSA grow on a tax-deferred basis, and the funds spent for qualified medical expenses are not taxable. However, if you use the funds for any reason other than paying qualified medical expenses before you reach age 65, the funds are taxable and subject to a 20% penalty.

You can make any necessary tax adjustments when you prepare your annual tax return. You will report the amount of distributions used for qualified medical expenses on your annual tax return. For more information about HSAs and tax implications, be sure to seek advice from a professional tax advisor.