



# Health Savings Accounts

## A Better Way to Pay for Healthcare – Today and Tomorrow

**Using a Health Savings Account (HSA) is a great way to stretch your benefit dollars. You use before-tax dollars in your HSA to reimburse yourself or someone else for eligible out-of-pocket medical care expenses. That means you can enjoy tax savings and increased spendable income — It's your money. — Why not keep more of it? — With an HSA you can!**

### WHAT IS A HEALTH SAVINGS ACCOUNT?

An HSA is a tax-advantaged savings account that is used in combination with a High Deductible Health Plan (HDHP) and gives you a new way to manage healthcare costs. You can use the HSA funds to cover qualified medical expenses—from co-payments at the doctor's office to pharmacy bills, dental care, vision care, and more. In order to be eligible to make contributions to your HSA you must be enrolled in an eligible HDHP plan either independently or through your employer, and you cannot have any other disqualifying healthcare coverage, such as entitlement to any part of Medicare, or access to FSA or HRA funds through your employer or another individual's employer. *More information on HSAs can be found through the IRS publications website at the link listed below <http://www.irs.gov/publications/p969/ar02.html>.*

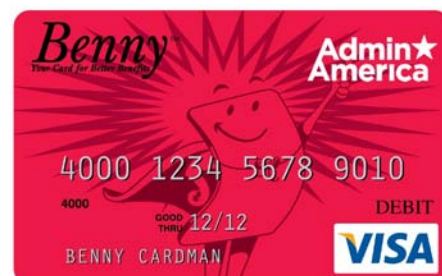
### HOW IT WORKS

You and your employer can deposit money into your HSA account, up to an annual per-person or family limit set by the IRS. When you enroll in the company funded HSA, an account will be created for you at HealthcareBank (a sponsor online bank). You'll be given access to a secure, easy-to-use web portal (accessed via computer or mobile phone app) where you can track your account balance, view your investment accounts and submit requests for disbursements. Unlike a flexible spending account (FSA), there is no "use it or lose it" condition.

In addition, you'll receive a convenient prepaid benefits card to make it easy to access the money in your HSA. The card only contains the current value of your HSA account (i.e., the amount the company has contributed less any amount you have used). When you use the card, payments are automatically withdrawn from your HSA account and you won't have to submit receipts to verify the purchase. Just swipe the card and go. It's that easy!

### WITH AN HSA YOU CAN:

- **Enjoy significant tax savings** with pre-tax contributions and tax-free reimbursements for qualified plan expenses
- **Quickly and easily access funds** using the prepaid benefits card at point of sale, or request to have funds directly deposited into your bank account via computer online or mobile app
- **Reduce filing hassles and paperwork** by using your prepaid benefits card (*HINT: You will still need to save all detailed receipts and the online portal is a great place to do that – just upload via computer or snap a picture with your smartphone mobile app to upload.*)
- **Enjoy secure access** to accounts using a convenient Participant Portal available 24/7/365. When you enroll you will receive a "Next Steps Document" via email that includes detailed login instructions or call Admin America for assistance. You may access the portal via [www.adminamerica.com](http://www.adminamerica.com) and click on "Participants LOGIN".
- **Manage your HSA "on the go"** with an easy-to-use mobile app (see page 2 for more mobile app info)
- **Request a distribution or enter an expense easily online** and let the system help you keep track of your out-of-pocket healthcare expenses. You may request that an expense be paid to you or someone else whenever you are ready and have sufficient funds in your HSA account.
- **Stay up to date on balances** and action required with automated email alerts and convenient portal and mobile home page messages



## BENEFITS TO YOU:

- **An HSA is yours.** Funds in your HSA account stay with you, even if you change jobs.
- **Contribute tax free.** An HSA reduces your taxable income. The money is tax free both when you put it in and when you take it out to cover qualified medical expenses.
- **Spend tax free.** Withdrawals used for eligible expenses are tax free.

**Plan for the future.** Until you turn 65, withdrawals you use for non-eligible expenses will be taxed at your regular income tax rate and are subject to additional penalties (20% penalty for 2014). After you turn 65, or if you become disabled, your HSA account becomes similar to a regular IRA . . . withdrawals for non-eligible healthcare expenses are still subject to income tax but not subject to any penalties.

**You can use your HSA dollars and your prepaid benefits card to pay for:**

- Routine health care: office visits, X-rays, lab work
- Hospital expenses: room and board, surgery
- Medications: prescription and over-the-counter (OTC) drugs when prescribed by a physician
- Dental care: cleanings, fillings, crowns
- Vision care: eye exams, glasses, contacts
- Copays and coinsurance (the portions of health care bills paid by you)
- Eligible over-the-counter (OTC) items\* such as:
  - First Aid Dressings and Supplies – bandages, rubbing alcohol
  - Contact Lens Solutions/Supplies
- Insulin and Diabetic Testing Supplies

*\*The list of eligible OTC items changed per the Patient Protection and Affordable Care Act of 2010. Contact Admin America, Inc. for more information or visit [www.irs.gov](http://www.irs.gov) for details.*

The amount you save in taxes with a Health Savings Account will vary depending on the amount you set aside in the account, your annual earnings, whether or not you pay Social Security taxes, the number of exemptions and deductions you claim on your tax return, your tax bracket and your state and local tax regulations. Check with your tax advisor for information on how your participation will affect your tax savings.

**Be sure to check out the NEW Mobile App available for your Android or iOS smartphone! The Mobile App makes account access and healthcare expense management easy and quick.**



*With the convenience of a mobile device, you can see your available balance anywhere, anytime as well as file expenses and receipts using your phone's camera.*

**Install the mobile app on your mobile phone in one of the following ways:**

### **iPhone App**

Search the App Store for "Benefits by Admin America"

Or, via the following link:

<http://itunes.apple.com/us/app/benefits-by-admin-america/id475793441?mt=8&uo=4>

### **Android App**

Search the Android Market for "Benefits by Admin America"

Or, via the following link:

<https://market.android.com/details?id=com.lighthouse1.mobilebenefits.aam>