

Advantage™

ADMINISTRATORS

It's *your* money. Why not keep more of it? With an HSA you can.

Now, more than ever, healthcare dollars need to go further. With a Health Savings Account (HSA), you'll pay less in taxes and increase your take-home pay. So enroll in an HSA and keep more of the money you've earned. That's real savings, real simple.

What is a Health Savings Account (HSA)?

An HSA works with a high deductible health plan (HDHP), and allows you to use before-tax dollars to reimburse yourself for eligible out-of-pocket medical and dependent care expenses, which in turn saves you on taxes and increases your spendable income.

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, an account will be created for you at a sponsor bank. You'll be given access to a secure, easy-to-use web portal where you can track your account balance, view your investment accounts and submit requests for reimbursements.

In addition, you'll receive a convenient prepaid benefits card to make it easy to access the money in your HSA. The card contains the value of your HSA account and you can use it to pay for eligible services and products not covered by your health insurance. When you use the card, payments are automatically withdrawn from your account, so there are no out-of-pocket costs and you won't have to submit receipts to verify the purchase. Just swipe the card and go. It's that easy!

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.
- **Grow funds tax free.** An HSA grows with you. If you maintain a minimum balance of \$2,000 your additional funds may be invested in mutual funds yielding tax-free earnings.
- **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 but won't incur additional penalties. After you turn 65, or if you become disabled, your HSA account becomes similar to a regular IRA.



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
 - Diagnostic Products like thermometers, blood pressure monitors, cholesterol testing
 - Insulin and Diabetic Testing Supplies

*The list of eligible OTC items changed per the Patient Protection and Affordable Care Act of 2010. Contact your Plan Administrator for more information or visit 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 participation will affect your tax savings.

This brochure highlights some of the benefits of a prepaid benefits card. If there is a discrepancy between this material and your official plan document, the plan document will govern. Advantage Administrators reserves the right to amend or modify the services at any time.

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