

HDHP Overview

- ✓ All qualified medical expenses must apply toward the deductible
- ✓ Prescription drugs must apply toward deductible
- ✓ Preventive Care is covered at 100% - Does not apply toward deductible
 - Annual Eye and Hearing Exam
 - Routine Physical
 - Diabetes & Cholesterol Screenings
 - Standard Child & Adult Immunization
 - Cancer Screenings include Colonoscopy, Mammogram, Breast Exam, Pap Smear, PSA
 - Prenatal and Well Child Care – Delivery subject to deductible



Does this make sense for me financially?

Consider:

- ☑ Premiums – How much does the coverage cost me via my payroll check each month? Is it lower than my current deduction?
- ☑ Deductible – How much do I have to “spend” before the medical plan begins to pay?
- ☑ Max OOP Medical – What is my worst case in each plan or maximum liability?
- ☑ Consider moving premium savings to a Health Savings Account (HSA)



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What is an HSA?

- ☑ A simple bank account that has unique tax advantages
- ☑ Financial account that is owned by an individual
- ☑ Must be paired with a high-deductible health plan (HDHP)
- ☑ Contributions to the account are to pay for current medical expenses or saved for future medical expenses (all 213(d) eligible expenses) – including post employment
- ☑ HSA monies can be used to reimburse eligible tax dependent claims even if they are not covered by the HDHP



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What is an HSA?

- ✓ No “use it or lose it”, unused funds roll over
- ✓ Tax Advantages
 - Contributions are pretax
 - Interest earned or investment gains are tax free
 - Distributions are not taxed if used for qualified medical expenses
- ✓ Optional Investment Opportunities
- ✓ Portable



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What is a qualified expense?

- ✓ All health plan eligible expenses
- ✓ Medical, RX, Dental & Vision
- ✓ Section 213d of the IRS Code
- ✓ Some insurance premiums
 - Continuation/COBRA Premiums
 - Medicare Premiums after age 65
 - Health insurance after age 65
 - Health Insurance while receiving unemployment
 - Long Term Care Insurance



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Who is eligible to set-up an HSA?

Any individual who:

- ☑ Is covered by a qualified HDHP
- ☑ Is not covered by any other health insurance (including spouse's medical FSA)
- ☑ Is not enrolled in Medicare
- ☑ Can't be claimed as a dependent on someone else's tax return (i.e. children)



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Contributions

- ☑ Employee pretax contributions through your payroll check can be changed at any time throughout the year

Maximum contribution in 2017

\$3,400 (employee only coverage)

\$6,750 (family plan coverage)

Catch up Contribution:

Individuals 55 and older may make additional contributions. Additional Contribution max: \$1,000



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How does it work?

- ✓ As you incur eligible expenses, your portion of the expense can be reimbursed out of your Health Savings Account (HSA)
- ✓ Debit Cards
- ✓ Online Withdrawal Request
 - Online Bill Pay
 - Transfer HSA money to personal checking account
- ✓ Direct Deposit available



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Debit Card – give you choice

- ✓ Accepted everywhere Visa is accepted
- ✓ No ATM
- ✓ No Fees for Debit Card or transactions
- ✓ Additional cards for spouse and tax dependents are also no cost



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Withdrawals

- ✓ Withdrawals are tax free if used for qualified medical expenses of the HDHP member, his/her spouse or tax-dependents (even if not covered by the HDHP)
- ✓ Expenses must be incurred after the HSA is established
- ✓ Expenses are reimbursed up to the HSA balance
- ✓ There's no time limit on when expenses can be reimbursed
- ✓ Member must retain documents to support reimbursement
- ✓ Expenses are reimbursed up to the HSA balance



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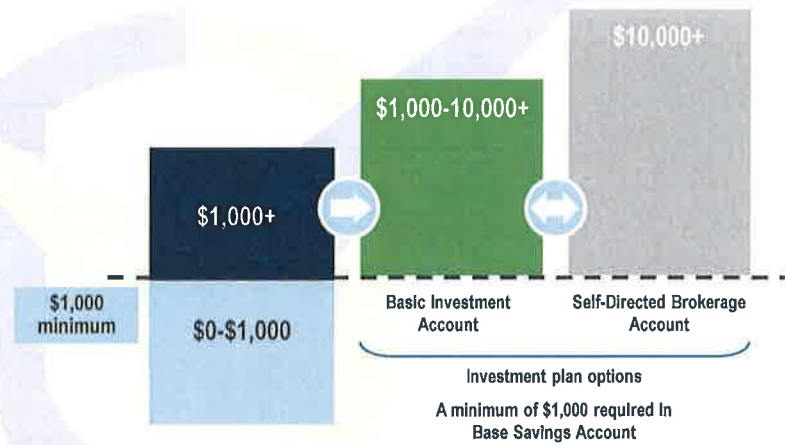
Non- Qualified Withdrawals

- ✓ Withdrawals for non-qualified medical expenses are subject to both income taxes and a 20% penalty
- ✓ Withdrawals after age 65 are free from taxes for qualified expenses and penalty free from non-qualified expenses
- ✓ As a retirement strategy after age 65 HSA balances are more valuable than an IRA or 401K balance



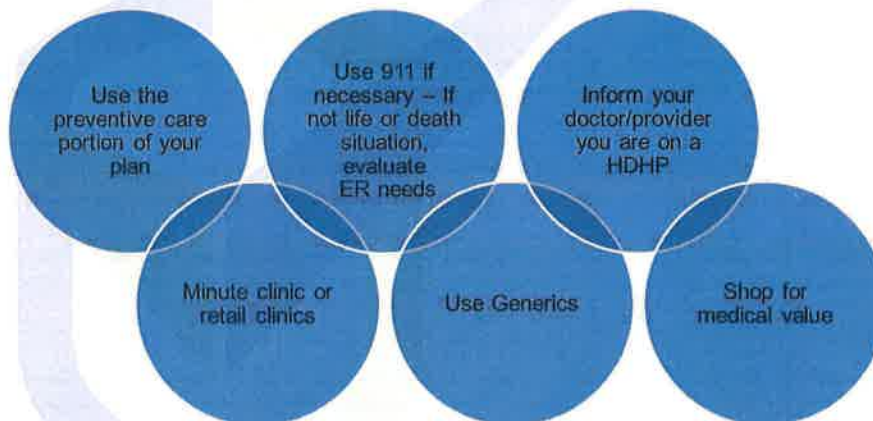
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HSA Investment Options (optional)



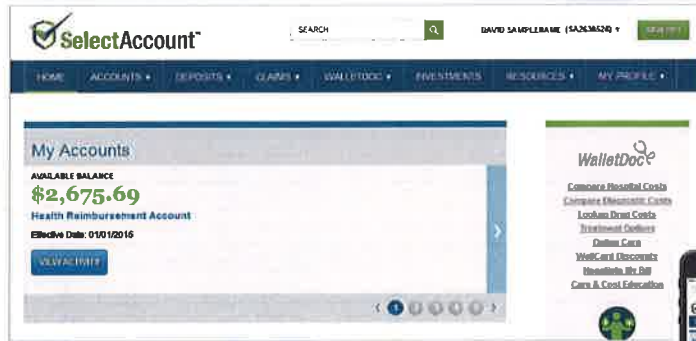
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Account Funding Strategy – Medical Consumerism



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HSA Banking on line – Easy online member service center at SelectAccount.com



- ✓ Account available 24/7 via PC, tablet or mobile phone
- ✓ Request reimbursement for out-of-pocket expenses
- ✓ e-Vault
- ✓ View account activity, statements and check balance
- ✓ Request additional debit cards
- ✓ Assign authorization for release of information (ARI)
- ✓ Direct deposit



We're here to help

Our expert, friendly service team is here to answer your questions



1.800.859.2144
651.662.5065
Monday thru Friday
7 AM to 8PM CST



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