

## Education & Enrollment Packet

### HSA Basics

A health savings account (HSA) is a tax-advantaged checking account that gives you the ability to save for future medical expenses or pay current ones. It is individually owned; however, you may elect to designate an authorized signer who may also withdraw funds and be issued a debit card.

### HSA Eligibility

To be eligible to make deposits to an HSA, the account holder:

- Must be currently enrolled in an HSA-qualified health plan
- May not be enrolled in any other non-HSA qualified health plan
- May not have, or be eligible to use, a general purpose flexible spending account (FSA)
- Cannot be claimed as a dependent on another person's tax return
- May not be enrolled in Medicare, Medicaid or Tricare
- Must not have used VA medical benefits in the past three months, with the exception of preventative services or treatment for a service-connected disability

### Contributions to your HSA

The annual maximum allowable contributions to an HSA, as established by the IRS, for 2021 are **\$3,600: Individual** and **\$7,200: Family**.

Individuals 55 and older can make an additional catch-up contribution of \$1,000 in 2021. A married couple can make two

catch-up contributions if both spouses are eligible. The spouses must deposit the catch-up contributions into separate accounts.

The annual maximum contribution is based on a calendar year and there is no limit to the dollar balance that can build in the account over time. Contributions can come from:

- Employee pre-tax payroll withholding
- Employer contributions (non-taxable income)
- Individual contributions from account owner or other individual (tax-deductible for account holder)
- IRA or Roth IRA rollover

### Distributions from your HSA

- You, or an authorized signer, can make withdrawals (or distributions) for qualified expenses.
- Distributions from your HSA can be made by check, debit card, ATM, online bill payment or by in-person request.
- Distributions for qualified medical expenses are tax free.
- Distributions made for anything other than qualified medical expenses are subject to IRS tax plus a 20% penalty. The penalty is waived if the account owner is 65 or older, or due to death or disability.
- Qualified medical expenses for your spouse and your tax dependents may be paid from your HSA, even if those individuals are not covered under your high-deductible health plan (HDHP).
- You're responsible for keeping receipts for all distributions from your HSA. The bank does not monitor how the funds are spent.

## Advantages of an HSA

### Portability

You can take 100% of the deposited funds with you when you retire or change employers. You are the account owner.

### Flexibility

You can choose whether to spend the money on current medical expenses, or you can save your money for future use. Unused funds remain in the account from year to year and there is no "use it or lose it" provision.

### Tax Savings

Contributions are tax free (pre-tax through payroll deductions or tax deductible). Earnings are tax free. Funds withdrawn for eligible medical expenses are tax free.

### Premium Savings

An HSA-qualified insurance plan tends to be less expensive than a traditional insurance plan.

## Allowable Expenses

To be a qualified medical expense, the expense has to be primarily for the diagnosis, cure, mitigation, treatment or prevention of disease. It must be to alleviate or prevent a physical or mental defect or illness. These expenses may or may not apply to your insurance deductible depending on the coverage provided by your medical plan.

Vision and dental expenses, such as glasses, contact lenses, eye exams, dental cleanings and orthodontia are all allowable expenses from your HSA. Medical supplies and over-the-counter medications such as Band-Aids, crutches, test strips, aspirin, allergy medicines and even contact solution are allowable.

Insurance premiums are allowable *only under the following circumstances*: while receiving federal or state unemployment benefits, COBRA premiums, qualified long-term care insurance premiums and Medicare and other health care premiums after age 65 (with the exception of Medicare supplement policies such as Medigap).

### EXAMPLES OF ALLOWABLE EXPENSES (CARES ACT CHANGES IN BOLD):

- Acupuncture
- Alcoholism Treatment
- Ambulance
- Bandages
- Birth Control Pills
- Breast Reconstruction
- Car Hand Controls (for disability)
- Chiropractors
- Christian Science Practitioners
- Contact Lenses
- Crutches
- Dental Treatment
- Dermatologist
- Diagnostic Devices
- Disabled Dependent Care Expenses
- Drug Addiction Treatment (inpatient)
- Eyeglasses
- Fertility Enhancement
- Guide Dog
- Gynecologist
- Hearing Aids
- Home Care
- Hospital Services
- Laboratory Fees
- LASIK Surgery
- Lodging (for out-patient treatment)
- Long-Term Care
- Meals (associated with receiving treatments)
- Medicare Deductibles
- **Menstrual and Feminine Hygiene Products<sup>1</sup>**
- Nursing Care
- Nursing Homes
- Obstetrician
- Operations
- Ophthalmologist
- Optician
- Optometrist
- Organ Transplant (including donor's expenses)
- Orthodontia
- Orthopedist
- **Over-the-Counter Medications<sup>1</sup>**
- Oxygen and Equipment
- Pediatrician
- Personal Care Services (chronically ill)
- Podiatrist
- Prenatal Care
- Prescription Drugs
- Prescription Medicines
- Prosthesis
- Psychiatric Care
- Qualified Long-Term Care Services
- Smoking Cessation Programs
- Surgeon/Surgical Room Costs
- Therapy
- Transportation Expenses for Health Care Treatment
- Vaccines
- Vitamins (if prescribed)
- Weight Loss Programs (certain expenses if diagnosed by physician)
- Wheelchair
- Wig (for hair loss from disease)
- X-Rays

## Non-Allowable Expenses

Insurance premiums are not eligible expenses (exceptions listed above).

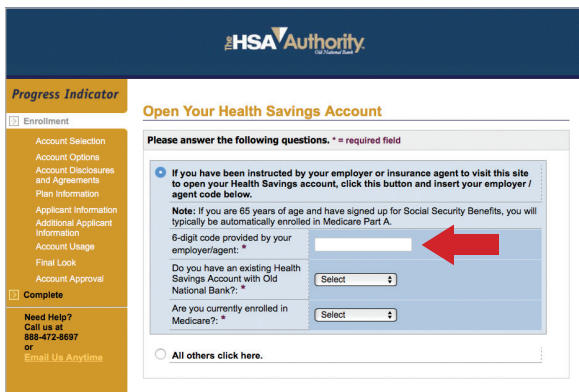
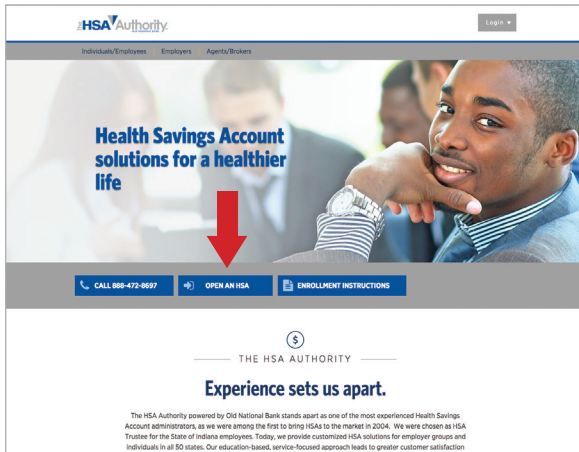
Costs associated with non-medically necessary treatments are not eligible. This includes cosmetic surgery and items meant to improve one's general health (but which are not due to a specific injury, illness or disease) such as health club dues, gym memberships, vitamins and nutritional supplements.

### EXAMPLES OF NON-ALLOWABLE EXPENSES:

- Advance Payment for Future Medical Expenses
- Automobile Insurance Premium
- Baby-sitting (healthy children)
- Commuting Expenses for the Disabled
- Controlled Substances
- Cosmetics and Hygiene Products
- Diaper Service
- Domestic Help
- Electrolysis (hair removal)
- Funeral Expenses
- Hair Transplant
- Health Club/Gym Memberships
- Household Help
- Illegal Operations and Treatments
- Illegally Procured Drugs
- Maternity Clothes
- Nutritional Supplements
- Premiums for Accident Insurance
- Premiums for HSA Qualified Health Plan (prior to age 65)
- Premiums for Life or Disability Insurance
- Scientology Counseling
- Teeth Whitening
- Travel for General Health Improvement
- Tuition in a Particular School for Problem

<sup>1</sup>Per CARES ACT—No prescription needed. Effective 1/1/20.

## Opening Your HSA Online



**EMPLOYER NAME**

**EMPLOYER CODE**

*If you already have an open HSA with The HSA Authority at Old National Bank, you do not need to complete the account opening process again.*

### Required Information

- Unexpired government-issued ID for account holder and authorized signer, if elected. This can be a driver's license, state-issued ID, passport or military ID.
- Date of birth for your beneficiaries.
- Social security number and date of birth for authorized signer, if elected.

### How to Open Your Account

1. Go to [theHSAauthority.com](http://theHSAauthority.com). Click **Open an HSA**.
2. The internet browser notice will appear. Click **Proceed to Application**.
3. Select the option **If you have been instructed by your employer...** When prompted, enter your six-digit employer code listed below. If you are not with an employer group, select **All others click here**.
4. Click **Continue** and complete enrollment. Submit the application and you'll receive a confirmation number.
5. A welcome letter will arrive in the mail within 10 business days of your application and should be retained for your records.
6. If you requested a debit card, it will be mailed separately. If checks are requested, the order is held and processed after your balance reaches \$25.00.

### Online Banking & eStatements

Your welcome letter contains your new HSA number along with instructions for accessing the Old National Bank online banking site and telephone banking system. To avoid the paper statement fee, be sure to follow the instructions in the welcome letter to elect eStatements. If you'd like assistance using these services, please call our Client Care Center toll-free at 888-472-8697.

## Website Features

Visit [theHSAauthority.com](https://theHSAauthority.com) for helpful tools and information.

### Tools

Under **Resources/Tools**, find:

- **HSA Videos & Articles** to address specific aspects of owning and managing your HSA.
- **Investment Tutorials** to demonstrate how to navigate the HSA Investment website.
- **Calculators** to allow comparison between a high-deductible plan with an HSA to a traditional plan and calculate the future value of an HSA.
- **HSA Store Eligibility** to ensure your purchase complies with IRS regulations.

### Client Library

Under **Resources/Client Library**, find:

- **Forms** for making changes to your account, such as: Address Change Form, Additional Authorized Signer Form, Beneficiary Change Form, Name Change Form, HSA Transfer Form and more. Many update requests can be submitted electronically through online banking.
- **Documents** such as informational flyers including HSAs and Medicare, HSAs and Retirement and many others.

### Savings

Under **Resources/Savings**, find:

- **The HSA Store**, a resource to help you save on the purchase of products covered by your HSA funds.

### HSA to HSA Transfers

If you have an HSA balance at another institution you would like to transfer:

- Open your HSA Checking account first and wait until you receive the welcome letter in the mail with your new account number.
- Complete and submit our HSA Transfer Form—located in the **Client Library** on our website.

### HSA Investments

Visit our website at [theHSAauthority.com](https://theHSAauthority.com). Find **Individual/Employee Products** then click on **Investment Services** from the navigation menu. Information includes an Investment Options List, FAQs and Enrollment Form.

HSA Checking must be opened first and a balance of \$1,000 is required to open HSA Investments.

#### Features:

- A variety of mutual funds available from which to choose
- Easy to use and comprehensive investment website
- Annual fee of \$36
- No investment load or trade costs (*Short term redemption fee may apply to some funds if selected*)

**IMPORTANT INFORMATION:** Self-directed investments are the sole responsibility of the account-owner. Carefully weigh the advantages and disadvantages of investing your HSA funds before doing so. Investment products are not FDIC insured; may lose value and are not a deposit account. Investment accounts are not obligations of Old National Bank or Devenir, are not guaranteed, and not insured by any federal government agency.

## HSAs at Tax Time

- You'll receive **Form 1099 SA** for your distribution total and **Form 5498 SA** for your contribution total for the previous year. These figures are reported to the IRS and you are required to report them on **IRS Form 8889** when filing your federal taxes. See IRS Publication 969 or consult your tax advisor for further information.
- You may make contributions to your HSA for the previous calendar year up to the tax filing deadline, which is normally April 15. If you make prior year deposits, you will receive an **updated Form 5498 SA** in May with your complete contribution total to keep with your tax records.

**Prior Year Deposits:** Prior year contributions should be clearly communicated to bank personnel. If mailing a deposit, be sure to note it is for the prior year. Deposits made at an ATM machine, remote deposit using your mobile phone, electronic transfers made using any method or those that are not specifically communicated to bank personnel will automatically be processed as a current year contribution.

## Insurance Coverage Changes

- If you start an HSA-qualified health plan mid-year, you may contribute the full annual maximum to your HSA. However, a testing rule applies to those that start an HDHP any time other than January 1st. Per the IRS, you must remain an HSA-eligible individual through December 31st of the next calendar year. If you're not sure you'll remain on the plan, you may want to pro-rate your contribution amount in order to avoid having the excess added to your gross income and an additional 10% tax on that amount.
- If your insurance coverage changes from individual to family mid-year, you're eligible for the full family contribution limit for that calendar year.
- If your insurance coverage changes from family to individual mid-year, your contribution limit will need to be pro-rated according to how many months you were on each type of insurance coverage.

## Options for Paying Yourself Back from Your HSA

*For qualified medical expenses paid with non-HSA funds*

1. Use free **Online Bill Pay** to request a check be sent to you.
2. Use free **Online Account to Account Transfer** to transfer funds between accounts at other financial institutions and your HSA.
3. **Write an HSA check** to yourself.
4. **Visit an Old National Bank Branch or ATM** to make a withdrawal. There is no fee for withdrawals at an ONB Branch or ATM. See our Branch/ATM locator feature at [theHSAauthority.com](https://www.theHSAauthority.com).<sup>1</sup>
5. Complete and submit a **Withdrawal Authorization Form** found under **Forms** at [theHSAauthority.com](https://www.theHSAauthority.com) or through online banking.

<sup>1</sup>Foreign ATM fees may apply



**Once you've opened your account, you'll receive your debit card in the mail.**

### Current card benefits include:

- Automatic enrollment in automated fraud monitoring, offering real-time suspicious activity alerts.
- Card Controls—Enroll to receive real-time transaction alerts. Instantly turn your card on and off.

***New look and features coming in 2021!***

## What If...

**You receive a medical bill or are paying for a prescription at the pharmacy and you want to use funds from your HSA.**

Pay using your HSA debit card, HSA checks or through online bill pay.

**You're at the pharmacy and realize you don't have your HSA debit card, checks, or you don't have enough funds in your Health Savings Account.**

Pay for the purchase with personal funds and later reimburse yourself using one of the "Options for Paying Yourself Back from Your HSA" listed at left.

**You're faced with a medical emergency and do not have enough in your HSA to cover your portion of the hospital bill.**

**OPTION 1:** Ask provider to set up a payment plan. As funds are deposited into your HSA make payments to the provider using your HSA debit card, online bill pay or checks.

**OPTION 2:** Pay with another personal checking account, savings account or credit card. Reimburse yourself as funds accumulate in your HSA. Many providers will agree to offer a discount for paying the bill in full.

**You're required to pay for treatment at the time of service. Later you receive a reimbursement check from the provider.**

**OPTION 1:** Cash the check and pay for other eligible medical expenses and save those receipts.

**OPTION 2:** Mail the check to Old National Bank for deposit to your HSA noting it is a REIMBURSEMENT DEPOSIT.

**You purchase groceries and a prescription. How should you handle the transaction?**

**OPTION 1:** Pay for the groceries separately and use your HSA debit card or checks for the prescription only.

**OPTION 2:** Pay for everything with non-HSA funds and later reimburse yourself for the medical portion.

## Product Features

<b>Enrollment Fee</b>	<b>Free</b> online enrollment
<b>Minimum Opening Balance</b>	None
<b>Annual Fee</b>	None
<b>Service Charge</b>	No monthly service charge
<b>Statement Options</b>	<b>Free</b> online statements; nominal charge for paper statements
<b>Interest Rates</b>	Interest rates may vary based on account balance; rates subject to change; for current rates, call our Client Care Center at 888-472-8697
<b>Annual IRS Reporting and Updates</b>	5498-SA (contributions), 1099-SA (distributions) and adjustments for prior year contributions
<b>24/7 Automated Telephone Banking</b>	Toll-free number 800-731-2265
<b>Deposit Processing</b>	Automatic deposit, mail in service or in-person at any Old National location
<b>Mobile App</b>	Access your HSA with The HSA Authority through the <b>Old National App</b> available on the App Store, Google Play or Amazon Appstore. <b>Free</b> access to balance, account activity, Bill Pay and Mobile Deposit. <sup>2</sup>
<b>Online Banking</b>	<b>Free</b> access to view statements, account activity, balance, and front and back of paid checks
<b>Online Account to Account Transfer</b>	<b>Free</b> access to transfer funds between accounts at other financial institutions and your HSA
<b>Online Bill Pay</b>	<b>Free</b> access to pay bills online through online banking
<b>Debit Card</b>	<b>Free</b> debit cards for account owner and authorized signer
<b>ATM Access</b>	<b>Free</b> ATM withdrawals at any Old National ATM; fees will apply for ATM withdrawals at non-Old National ATMs; refer to bank fee schedule
<b>Check Fees</b>	No per-check fees; see HSA Debit Card/Check Request Form for current printing fee per order of 30 checks
<b>Certificate of Deposit Options</b>	Available; call Client Care at 888-472-8697 for current rates and terms; FDIC insured
<b>Investment Options<sup>1</sup></b>	Available; call Client Care at 888-472-8697 for more information; \$36 Annual Fee
<b>Bank Service fees</b> (overdraft, stop pay, etc.)	Call Client Care at 888-472-8697 for details

For account opening instructions, see insert or visit our website at [theHSAauthority.com](http://theHSAauthority.com).

**Address:** The HSA Authority, Attention: HSA Operations, PO Box 3606, Evansville, IN 47735

**Email:** [info@theHSAauthority.com](mailto:info@theHSAauthority.com)

**Phone:** 888-472-8697 | Monday-Friday and Saturday morning

<sup>1</sup> Not FDIC Insured	No Bank Guarantee	May Lose Value	Not a Deposit	Not Insured by any Federal Government Agency
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<sup>2</sup> There are no Old National fees to use Mobile Banking; however, there may be charges associated with data usage on your phone. Check with your wireless carrier for more information. Not all accounts or customers are eligible for Mobile Deposit. Deposits subject to verification and may not be available for immediate withdrawal. See Terms in App for deposit limits and other restrictions.