

Health Savings Account (HSA) Frequently Asked Questions

(Continued from Previous Page)

Q: If I change employers, do I lose my HSA money?

No! Your HSA money is "portable" - it stays with you - not the Company.

Q: Will my HSA money earn interest?

Yes! Interest rates fluctuate each month, see Community Bank & Trust for details.

Q: Can I put money into my HSA without using payroll deduction/direct-deposit?

Yes. If "Grandma" gives you a gift of money and you want to put that money into your HSA account, you may do that. (But remember, the government limits the amount of money you can deposit into an HSA each year.)

Q: When I no longer want/need my HSA, can I roll my money into an IRA?

No, you can not roll an HSA into an IRA. You may have a ONE lifetime rollover from an IRA to an HSA.

Q: If I move to another bank, can I roll one HSA into another HSA?

Yes. You can roll your current HSA into a new HSA.

Q: Do I need to purchase HSA checks, like I do with my regular checking account.

When you open your HSA account you will be given a few starter-checks. When you run out of starter-checks, you will need to buy a box of checks. The cost of the checks CAN NOT come out of your HSA account because it is not a medical expense.

Q: Can I use a Debit Card instead of Checks?

Yes. You can apply for an HSA Debit Card.

Q: Can I contribute to an HSA if I am 65 or older?

No. You will no longer be able to *contribute* to an HSA that is in your name, but you can continue to *use* the HSA money to pay for "qualified" medical expenses.

If your spouse is covered under your health care plan and he/she is under 65, you can set up an HSA in your spouse's name and contribute to that, however you may only pay for his/her "qualified" medical expenses out of that account.

Q: Can I have an HSA if I am enrolled in Medicare?

No.

Q: Can I have an HSA if I am claimed as a dependent on someone else's tax return?

No.

Q: Can I have an HSA if I am covered under a non-High Deductible Health Plan?

No.

Q: What if my insurance changes from a High Deductible Health Plan to a non-High Deductible Health Plan?

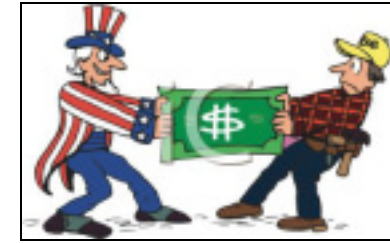
You can continue to use the HSA money to pay "qualified" medical expenses but you will no longer be able to *contribute* to the HSA.

Q: My spouse works for another company that has a high deductible health care plan and she has an HSA, in her name. Can I have an HSA separate from hers?

Yes. However, your total combined yearly contributions to both HSAs must not exceed the maximum allowed by the IRS for "Employee & Family" coverage.

Q: How can I learn more about HSAs?

Visit www.irs.gov/publications/p969/



Tax Deductible Health Savings Account ("HSA") (A Smart Way to Save.)

2018

HSA accounts are for the sole benefit of employees.
The Company receives absolutely no compensation for this program.



2018 Health Savings Account (HSA)

Contributions, Benefits & Frequently Asked Questions

We realize that you might not be used to a high deductible health plan...

We have help.



Get Started with a Health Savings Account (“HSA”):



210 West 4th Street | Wilton, Iowa
563-732-2077 | ContactUs@commbk.net

1. Sign up for an HSA at “Community Bank & Trust” in Wilton, Iowa.
2. Pay all *qualified medical bills with HSA checks. *(Funds only need to be deposited when checks are written, however, the Company does offer a convenient, no-fee Payroll Deduction/Direct Deposit Plan* with Community Bank & Trust.)*

HSA Contributions...

- Deposit only \$5 to start account.
- Payroll Deduction/Direct-Deposit option as low as **\$5 per paycheck**. (“Community Bank & Trust” only.)
- For **2018**, the federal government will only allow you to deposit up to **\$3,450/year** for “Employee Only” coverage, or up to **\$6,900/year** for “Employee & Family” coverage *(and an extra \$1,000 if you’re 55 or older)*. (UNCLE SAM sets limits because he doesn’t make money on HSAs.)

*If HSA money is used for non-qualified medical expenses, penalties apply. Refer to “www.irs.gov” for 2018 qualified medical expenses.

HSA Benefits...

- Contributions* to HSAs are tax deductible *(they’re excluded from your gross income)*.
- Interest earned is tax-free.
- Low annual bank-fee.
- HSAs are portable *(they stay with YOU, not the Company)*.
- You KEEP your unused money, and it’s carried over from year to year in your HSA.



An HSA can SAVE a family \$500 to \$1,000 in tax dollars each year ...and you earn interest.

Health Savings Account (HSA) Frequently Asked Questions

Q: Can I sign up for an HSA AFTER January 15th, 2018?

Yes. However, if you want to be eligible for a “Medical Expense Company/Bank-Loan” in **2018**, you must sign up for an HSA by **January 15th, 2018**.

Q: If I sign up for an HSA AFTER my doctor visit, can I use HSA money to pay for the visit?

No. You must have your HSA set up prior to your doctor visit in order to use money from your HSA to pay for the visit.

Q: Do I need to keep my medical receipts?

Yes. If the IRS decides to audit your HSA account (to verify that you are only purchasing qualified medical expenses) it is necessary to provide proof of your purchases.

Q: How do I know what medical expenses are “qualified” with an HSA?

If you are unsure if an expense is “qualified”, you can refer to the IRS website concerning HSAs (www.irs.gov) & Publication 969.

Q: If I don’t use my HSA money, will I lose it at the end of the year?

No! Your HSA money is carried over from year to year in your HSA.

Q: Can I use my HSA checks for “vision” or “dental” expenses? Even if I have vision & dental insurance and they are NOT a “high-deductible” plan?

Yes. HSA’s are for people on “high-deductible” health care plans - and that is you. Under the **2018** IRS rules, you are allowed to pay for dental & vision expenses (EXCLUDING premium costs) with your HSA money, even if those plans have a low deductible.

Q: What will the IRS do to me if I accidentally pay for a “non-qualified medical expense” using my HSA checks?

According to the **2018** IRS rules, if you accidentally pay for a non-qualified medical expense using your HSA checks, you might be fined 20% of the cost of the product and you will not be allowed to deduct the cost of that product from your gross income when calculating income tax.

EXAMPLE: Jane Doe accidentally paid \$5.00 for lip-gloss (because her lips were chapped), using her HSA checks. She might be fined \$1.00 (20% of \$5.00) for this mistake, and she will not be allowed to deduct the \$5.00 (cost of lip-gloss) from her income (on her tax returns).

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