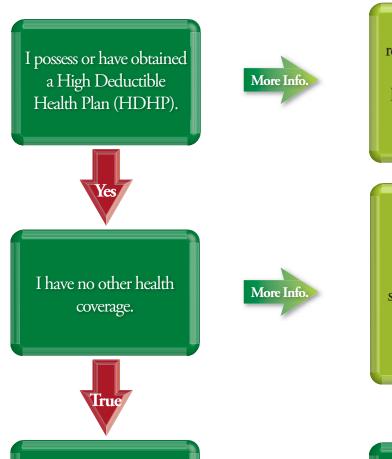
Health Savings Account (HSA)

How can I get into an HSA? I need more information.

Follow the chart below to see requirements and benefits of opening an HSA.



Participating in a "qualified" HDHP is a requirement for an HSA. HDHP is a health insurance plan with lower premiums and higher deductibles than a traditional health plan. Contact your health care provider to see if your plan qualifies as an HDHP.

However, you can still have the following coverages: liabilities incurred under workman's comp, tort liabilities, liabilities related to ownership or use of property, a specific disease or illness, a fixed amount per day (or other period) of hospitalization, accidents, disability, dental, vision, or long-term care.

I am not currently enrolled in Medicare.



I cannot be claimed as a dependent on someone else's past tax return.



You are now ready to open your Health Savings Account!

Here are some of the benefits you will enjoy with your new HSA:

- · You can claim a tax deduction for contributions (other than those made by an employer), even if you do not itemize your deductions on Form 1040.
- · Contributions to your HSA made by your employer may be excluded from your gross income.
- · Your money remains in your account until you use it. There are no time restrictions to use it.
- \cdot The interest in your account is tax free.
- Distributions may be tax free if you pay qualified medical expenses.

 Qualified medical expenses are those expenses that would generally qualify for the medical and dental expenses deduction. However, even though non-prescription medicines (other than insulin) do not qualify for the medical and dental expenses deduction, they do qualify as expenses for HSA purposes.
- · HSAs are portable , so they stay with you if you change employers or leave the work force.

You must be considered an individual on the 1st day of the month to take an HSA deduction for that month.

Visit <u>www.irs.gov</u> or your tax professional for more information.