# HEALTH SAVINGS ACCOUNT




## Why should I choose a Health Savings Account (HSA)?

A Health Savings Account (HSA) allows you to use before-tax dollars to pay or reimburse yourself for eligible qualified medical expenses or use as a retirement savings tool. An HSA offers more tax savings* than a Traditional and Roth 401(k) and IRA, making it a powerful option for diversifying your retirement portfolio.

### It's Yours

Your HSA is exactly that: Yours. You own it, and you can use the money in your HSA to pay for eligible health expenses for everyone in your household, even if they are not covered by your health plan.

### Flexibility

Save for a rainy day. Invest for your future retirement. Or, spend your funds on qualified expenses, penalty-free. Any unspent money in your HSA remains yours, allowing you to grow your balance over time. After age 65, the funds can be used for any purpose without penalty, but will be subject to ordinary income tax.

### Easy to Use

Swipe your First American Bank Health Account Services prepaid Mastercard® debit card at the point of purchase. Withdrawals used for eligible qualified expenses are tax-free. We recommend keeping all receipts in case of an IRS audit or to withdraw funds tax-free upon turning age 65.

### Smart Savings

The HSAs unique, triple-tax savings means the money you contribute, earnings from investments and withdrawals for eligible expenses are all tax-free, making it a powerful savings and retirement tool.

### Investment Options**

You can invest your HSA funds in an interest-bearing account or our standard mutual fund lineup. Savvy investors may opt for a Health Savings Brokerage Account powered by Charles Schwab; giving you access to more than 8,500 mutual funds, stocks and bonds.

## What Does It Cover?

There are thousands of eligible items. The list includes but is not limited to:

- Copays, coinsurance, insurance premiums
- Doctor visits and surgeries
- Over-the-counter medications (first-aid, allergy, asthma, cold/ flu, heartburn, etc.)
- Prescription drugs
- Birthing and Lamaze classes
- Dental and orthodontia
- Vision expenses, such as frames, contacts, prescription sunglasses, etc.

## Can I Enroll?

You must be enrolled in a qualified High-Deductible Health Plan (HDHP) in order to enroll in the HSA. You're not eligible for an HSA if:

- You're claimed as a dependent on someone else's taxes.
- You're covered by another plan that conflicts with the HDHP, such as Medicare, a Medical Flexible Spending Account (FSA) or select Health Reimbursement Arrangements.
- You or your spouse are contributing to a Medical FSA.

*The amount you save in taxes with an HSA 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 your participation will affect your tax savings.

**A custodial management fee applies to the balances in your Investment Account. Funds in the Investment Account, as well as the Charles Schwab HSBA, are Not FDIC Insured, May Lose Value, and are Not Bank Guaranteed.

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