

# WELCOME to the TRI-AD HEALTHSAVER Account



The TRI-AD HealthSaver HSA allows you to pay for eligible out-of-pocket expenses with tax-free dollars\*, which gives you a significant tax break.



## About the High Deductible Health Plan (HDHP)

The HSA may only be used in conjunction with a High Deductible Health Plan (HDHP) with a deductible that you must cover before the Plan starts to pay benefits. It also must satisfy specific IRS requirements.

## About the HealthSaver Account

The TRI-AD HealthSaver Account is a tax-exempt HSA that works in conjunction with an HDHP to allow you to pay for out-of-pocket health care expenses with tax-free dollars. This includes deductibles, coinsurances, copayments, prescription drugs and more.

\* State taxes may still apply.



## A Few HealthSaver Account Ground Rules

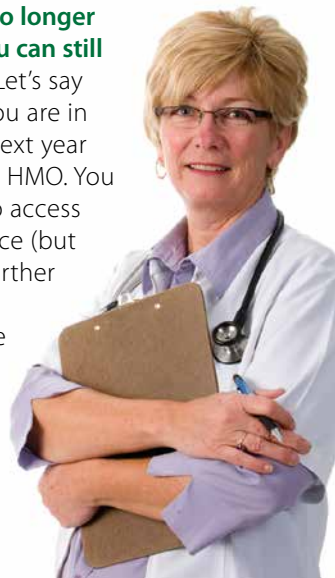
HealthSaver Accounts are granted tax-free status by the IRS as long as certain rules are followed. Some important things to keep in mind are:

- **HealthSaver Accounts are tax-free only if used to pay for qualified medical expenses.** A complete list of eligible expenses can be found on the HealthSaver Account website. Examples are:
  - Deductibles, copayments/coinsurances, dental and vision expenses, orthodontia, and more;
  - Eligible expenses for you and/or any IRS dependents, regardless of whether they are in the HDHP;
  - COBRA or medical plan premiums during periods of unemployment;
  - Long-term care premiums;
  - Premiums for retiree medical coverage; and
  - Any out-of-pocket health care expenses in retirement, whether or not you have a health plan in addition to Medicare, and whether or not that health plan is an HDHP.
- **Expenses incurred before you establish your HSA are not qualified medical expenses.**  
**You will face penalties of at least 20% if you use your HealthSaver Account funds for a non-approved purpose.**
- **You do not have to substantiate your expenses to receive reimbursement.** It's your responsibility to use your account



only for eligible expenses. We recommend that you hold onto your expense documentation just in case the IRS questions how you used the money.

- **Your HealthSaver balance plus investment earnings carry over from year to year – tax-free.** State taxes may still apply. You do not lose your money if you do not spend it within the year.
- **You can change your HealthSaver election at any time.** Some employers, for administrative ease, limit the frequency of participant contribution changes, but are required to allow a change at least once a month. Changes are made through your employer. You can also contribute to your account outside of payroll deduction. The annual maximum contribution stipulated by the IRS applies.
- **Once you are no longer in an HDHP, you can still use your HSA.** Let's say that this year you are in an HDHP, and next year you enroll in an HMO. You can continue to access your HSA balance (but cannot make further contributions). There is no time restriction on accessing the money.





# How the HEALTHSAVER Account Works

## Funding Your HealthSaver Account

You may contribute to your HealthSaver Account by:

- Pre-tax payroll deductions managed by your employer;
- Making payments with after-tax dollars directly to your account. (You would claim a deduction when you file your taxes).
  - You can set up one-time or recurring electronic funds transfers on the HealthSaver Participant website.
  - You can mail in a check and an HSA Contribution Form. Contribution forms are available once you have logged into your account.

Some employers also contribute to their employees' HSAs. If yours does, this is also done tax-free to you, and their contributions count toward the annual maximum contribution.

## Investing Your HealthSaver Account Balance

Your HealthSaver Account has two components:

1. The FDIC-insured bank account\* is where your money will go until you have at least \$1,000 in your account. It also is the account from which your HSA expenses will be reimbursed. You always need to have enough funds in this account to cover any transactions you submit.
2. Once you have over \$1,000 in your HealthSaver Account, you may invest in the available tax-free mutual funds.\*

There are numerous funds from which to choose. They have been carefully selected to offer both diversity and



value. Please log into your HealthSaver account for fund fact sheets and prospectuses as well as some basic investing information.

You can change your investment mix at any time on the HealthSaver website.

The website allows you to set up automatic investing so that, as your money is deposited, it automatically goes into the mutual funds of your choice according to your investment instructions.

## Accessing Your HealthSaver Account

There are two ways that you can access your HealthSaver Account balance:

- **The TRI-AD BenefitCard™** – The BenefitCard lets you access the HSA bank account balance with a simple swipe. You can swipe at the point of sale or write the card number on a bill and pay just as you would with a credit card. The card is accepted at most merchants where VISA is accepted.
- **Requesting a withdrawal online** – If you have an expense for which you did not use the BenefitCard, you can log into your account and request a withdrawal by clicking the “Enter a New Claim” tile. Sign up for Direct Deposit to have your withdrawals transferred directly to your bank account using the “Manage Direct Deposit” feature. You can also request to have a check mailed to you.

## IRS Requirements

(See the HealthSaver Participant Toolkit for the latest numbers.)

2018	Single Plan	Family Plan
HDHP Minimum Deductible	\$1,350	\$2,700
HDHP Maximum Out-of-Pocket	\$6,650	\$13,300
HealthSaver Account Contribution Limit	\$3,450	\$6,850
HealthSaver Account Catch-Up Contribution (55 or older)	\$1,000	\$1,000

\* The TRI-AD HealthSaver Account uses BNY Mellon as the account's custodian, meaning your money is held by BNY Mellon, one of the nation's largest financial institutions. The portion of your account that is kept in cash (i.e., not the part you invest in mutual funds) is kept in an interest-bearing FDIC-insured bank account, so deposits of up to \$250,000 are insured by the federal government. Any portion of your money you choose to invest in mutual funds through BNY Mellon is subject to the market's fluctuations and is not covered by the FDIC. Your account itself is insured by the SIPC against BNY Mellon's insolvency. For mutual funds, there is no guarantee of returns or preservation of capital. Past performance is not an indication of future performance, and investors invest at their own risk.

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# Five Steps to Successful Online Account Management

## Designating or Changing your HSA Beneficiary

Your HSA Beneficiary(ies) would receive your account balance in the event of your death. You can change your beneficiary online or by completing and submitting a new Beneficiary Designation Form.

You can name anyone as a beneficiary, but if you are married and live in a community property or marital property state, state law requires that you obtain your spouse's signature if you want to designate someone other than, or in addition to, your spouse as your beneficiary.

If you do not name a beneficiary, then at the time of your death the funds in your HSA will become part of your estate.

## Tax Reporting

If you make a withdrawal, TRI-AD must report HSA account activity to you and the IRS. By the end of each January, you can expect to receive Form 1099-SA reporting any account withdrawals. By the end of each May, you can expect to receive Form 5498-SA reporting your account contributions. This form is for your records and does not need to be filed with your taxes.

Using this information and the information available online, you will need to complete Form 8889: Health Savings Accounts, and attach it to your Form 1040 when you file your annual income tax return. You can access and print Form 8889 from the link on the HealthSaver Participant Toolkit.

For more information on HSA tax reporting, please contact your tax advisor.

## 1. Become familiar with the HealthSaver Participant Toolkit Website – [www.tri-ad.com/hsa](http://www.tri-ad.com/hsa)

The TRI-AD HealthSaver Account Participant Toolkit provides everything you need to effectively plan and manage your HealthSaver Account. You don't need to log in to access some of the features, but of course your personal account information is secured.

Here's what you can do on the HealthSaver Participant Toolkit:

- **Research** – find out more about HSAs, access FAQs, and see a complete list of common eligible expenses.
- **Plan** – The online expense estimator worksheet and other tools help you plan how much money to put into the HSA.
- **Invest** – Once you have opened your account, you can access the investment information, research investment options and get instructions.
- **Contribute** – In addition to payroll contributions, you can transfer money into your HSA or make a deposit via check at any time, subject to the annual IRS limits.
- **Track** – Track your contributions, investments, health care expenses, account history and more in the secured area.
- **Manage** – Once you have successfully established access, you can maintain your account by updating your address and contact information; modifying your bank account information; maintaining your beneficiary(ies); and viewing and downloading agreements and forms.

## 2. View Your Account Summary

Click the "View Accounts" tile to access an overview of your account, including balances, contributions and withdrawals. Fund elections, fund fact sheets and prospectuses, as well as beneficiary information is available when you log into your account to manage your HSA.

If you have elected electronic statements, you can also access your statements online as PDFs.

## Helpful Hint

The only money available in your account for covering expenses is the portion in the bank account. It is up to you to manage your bank account and investments in such a way that your bank account always has enough funds to cover any card swipes or withdrawal requests. This puts you in control of what investments to sell, and when, to keep your cash account replenished.





### 3. Invest Your HealthSaver Account Balance

Use the “Manage Funds” tab to manage your investments.

#### Allocate Contributions

Once you have at least \$1,000 in your account, you can set up investment allocations through the “New Allocation” feature. Your allocations must total 100%.

#### Reallocate Funds

The “Reallocate Funds” feature lets you transfer money from one investment option to another. You can either transfer as dollars or as percentages, whichever is easier.

### 4. Access Your Funds

You can access funds through the debit card or via an online request. Remember to keep enough money available in the bank account (FDIC insured fund) portion of your HSA to cover the transaction.

For an online request, click on “Enter a New Claim.” Enter the amount and you will be sent a check, unless you have previously set up direct deposit.

### 5. Manage Your Profile

Maintain your addresses, beneficiary information, bank account information, statement options and more.

The screenshot shows the TRI-AD HealthSaver Account website. The main navigation includes 'Account Summary', 'Manage Funds', 'Update Profile', and 'Resource Center'. Under 'Manage Funds', there are options for 'Allocate Contributions', 'Reallocate Funds', 'Contribution', and 'Recurring Contribution'. The 'Allocate Contributions' section is active, showing a table for 'FDIC-insured, Interest-bearing Bank Portion' and 'Mutual Funds'. The table has columns for 'Asset Name', 'Current Allocation', 'Max Allowed', and 'New Allocation'. The 'FDIC-insured, Interest-bearing Bank Portion' row shows a current allocation of 100%. The mutual funds table lists various funds like Vanguard Short Term Investment Grade, Harbor Bond Fund, etc., all with 0% current allocation and 100% max allowed. On the right, there are sections for 'Customer Service' (Need Help? Call 1-888-844-1372), 'Account Owner' (Account #: TR001, Registration: BNYM I S TRUST CO HSA FBO), and 'FDIC Interest Rate Information' (Daily Balance, Rate: 0.28%, APY: 0.28%).

### On the Web at [www.tri-ad.com/hsa](http://www.tri-ad.com/hsa)

Access the Participant Toolkit to learn more about:

- Frequently asked questions about HSAs
- Annual contribution limits
- How the HealthSaver Account works
- See a complete list of eligible expenses

Log into your account to:

- Open your HSA
- Manage your investments and payments
- Find forms such as Distribution Request forms, Transfer Assets form, and more.



#### HealthSaver Participant Toolkit:

[www.tri-ad.com/hsa](http://www.tri-ad.com/hsa)

#### TRI-AD Participant Services:

888-844-1372 (5:00 a.m.–6:00 p.m., Pacific Time)

e-mail: [hsamail@tri-ad.com](mailto:hsamail@tri-ad.com)

Request withdrawals online at [www.tri-ad.com/hsa](http://www.tri-ad.com/hsa)

or fax your request form to TRI-AD at 866-233-4741