



# Health Saving ACCOUNTS (HSA)

Health Saving Accounts, or HSAs, are tax-favored consumer savings arrangements for individuals covered by high deductible health insurance plans. A Health Savings Account (HSA) allows you to pay for a wide range of medical expenses with pretax dollars. Since there is no “use it or lose it” requirement, your unused HSA dollars can accumulate tax deferred to pay for future health care costs. Also, funds deposited into the account belong to you so they stay with you when you change employers.

Your Lakestone HSA (Health Savings Account) functions as a checking account. You will receive a monthly statement detailing all deposits and withdrawals. Your account balances are insured up to the limits imposed by the FDIC.

**Opening Balance Requirement:** \$25

**Fees:** Monthly maintenance fee: \$3

Paper statement fee: \$3

External transfer fee: \$25

<b>HDHP Coverage</b>	<b>Minimum Deductible</b>	<b>Out-Of-Pocket Expense Limit</b>
SELF ONLY	\$1,300.00	\$6,550.00
FAMILY	\$2,600.00	\$13,100.00

**You *cannot* be:**

- Covered by another health plan that is not an HDHP.
- Enrolled in Medicare.
- Eligible to be claimed as a dependent on a federal tax return.

**Qualified medical expenses include:**

- General medical care, prescription and certain nonprescription drugs.
- Transportation costs associated with medical care and certain long-term care services.
- Long-term care insurance premiums.
- COBRA health care continuation coverage for the HSA owner, owner's spouse or dependents.
- Health care coverage for the HSA owner, owner's spouse or dependents while they are receiving unemployment compensation.
- Premiums for Medicare Part A or B, Medicare HMO, and the employee share of employer sponsored retiree health insurance for individuals older than age 65.
- Premiums for Medicare Part D for the HSA owner, spouse or dependents if the HSA owner is at least 65.

Additional fees may apply. Lakestone Bank & Trust makes available the Health Savings Account as a custodian only. The HSA is intended to qualify as a Health Savings Account as set forth in Internal Revenue Code Section 223. However, the account beneficiary that establishes the HSA is solely responsible for ensuring that he/she satisfies the Health Savings Account eligibility requirements set forth in Section 223. If an individual establishes a Health Savings Account and he/she is not otherwise eligible, he/she will be subject to adverse tax consequences. In addition, an employer who makes contributions to an HSA of an ineligible individual may also be subject to adverse tax consequences. We recommend that HSA applicants and/or employers contact qualified tax or legal counsel before establishing a Health Savings Account.

All deposits will be considered made for current tax year contribution unless made in person and specified in writing for previous tax year. IRS limits subject to change.

To fund an HSA, the owner can make a one time Traditional or Roth IRA distribution. The distribution cannot exceed the current year contribution limit. The distribution is tax free on the IRA but is not deductible on the HSA.

Rev. 11/2016