

## HSA Education & Enrollment Packet

2018

With a Health Savings Account (HSA), you'll pay less in taxes and increase your take-home pay. Take control over your health care dollars and open an HSA today!

### HSA Basics

A Health Savings Account (HSA) is a tax-advantaged checking account that works with a High Deductible Health Plan (HDHP), and lets you set aside a portion of your paycheck—before taxes—into an account to pay for medical expenses that aren't covered by your plan. It can also help you plan for future medical expenses.

### HSA Eligibility

To be eligible to make deposits to an HSA, you:

- Must be currently enrolled in an HSA-qualified health plan
- May not be enrolled in any other non-HSA qualified health plan
- May not have, or be eligible to use, a general purpose flexible spending account (FSA)
- Cannot be claimed as a dependent on another person's tax return
- May not be enrolled in Medicare, Medicaid, or Tricare
- Must not have used VA benefits for anything other than preventative services in the past three months

### Contributions to your HSA

The annual maximum allowable contributions to an HSA, as established by the IRS, for 2018 are:

- Individual: \$3,450
- Family: \$6,900

Individuals 55 and older can make an additional catch-up contribution of \$1,000 in 2018. A married couple can make two catch-up contributions if both spouses are eligible. The spouses must deposit the catch-up contributions into separate accounts. The annual maximum contribution is based on a calendar year and there is no limit to the dollar balance that can build in the account over time.

Contributions can come from:

- Employee pre-tax payroll withholding
- Employer contributions (non-taxable income)
- Individual contributions from account owner or other individual (tax-deductible for account holder)
- IRA or Roth IRA rollover

### Distributions from your HSA

- You, or an authorized signer, can make withdrawals (or distributions) for qualified expenses.
- Distributions from your HSA can be made by check, debit card, ATM, online bill payment or by request in-person or via the telephone.
- Distributions for qualified medical expenses are tax free.
- Distributions made for anything other than qualified medical expenses are subject to IRS tax plus a 20% penalty. The penalty is waived if the account owner is 65 or older, or due to death or disability.
- Qualified medical expenses for your spouse and your tax dependents' may be paid from your HSA, even if those individuals are not covered under your high-deductible health plan (HDHP).
- You're responsible for keeping receipts for all distributions from your HSA. The Credit Union does not monitor how the funds are spent.

### Advantages of an HSA

#### Portability:

You can take 100% of the deposited funds with you when you retire or change employers. You are the account owner.

#### Flexibility:

You can choose whether to spend the money on current medical expenses or you can save your money for future use. Unused funds remain in the account from year to year and there is no "use it or lose it" provision.

#### Tax Savings:

- Contributions are tax free, (pre-tax through payroll deductions or tax deductible)
- Earnings are tax free
- Funds withdrawn for eligible medical expenses are tax free.

#### Premium Savings:

An HSA-qualified insurance plan tends to be less expensive than a traditional insurance plan.

## Allowable Expenses

To be a qualified expense, the expense has to be primarily for the prevention or alleviation of a physical or mental defect or illness. Eligible expenses may be paid from your HSA for yourself, your spouse, and other qualified tax dependents, even if they are not covered by your high deductible health plan insurance.

- Acupuncture
- Alcoholism Treatment
- Ambulance
- Bandages
- Birth Control Pills
- Breast Reconstruction
- Car Hand Controls (for disability)
- Chiropractors
- Christian Science Practitioners
- COBRA Premiums
- Contact Lenses
- Crutches
- Dental Treatment
- Dermatologist
- Diagnostic Devices
- Disabled Dependent Care Expenses
- Drug Addiction Treatment (inpatient)
- Eyeglasses
- Fertility Enhancement
- Guide Dog
- Gynecologist
- Hearing Aids
- Home Care
- Hospital Services
- Laboratory Fees
- LASIK Surgery
- Lodging (for out-patient treatment)
- Long-Term Care
- Meals (associated with receiving treatments)
- Medicare Deductibles
- Medicare Premiums
- Nursing Care
- Nursing Homes
- Obstetrician
- Operations
- Ophthalmologist
- Optician
- Optometrist
- Organ Transplant (including donor's expenses)
- Orthodontia
- Orthopedist
- Over-the-Counter Medications (if prescribed)
- Oxygen and Equipment
- Pediatrician
- Personal Care Services (chronically ill)
- Podiatrist
- Premiums for Health Insurance (when receiving federal or state unemployment)
- Prenatal Care
- Prescription Drugs
- Prescription Medicines
- Prosthesis
- Psychiatric Care
- Qualified Long-Term Care Services
- Smoking Cessation Programs
- Surgeon/Surgical Room Costs
- Therapy
- Transportation Expenses for Health Care Treatment
- Vaccines
- Vitamins (if prescribed)
- Weight Loss Programs (certain expenses if diagnosed by physician)
- Wheelchair
- Wig (for hair loss from disease)
- X-Rays

## Non-Allowable Expenses

The following items are not allowed to be paid from your HSA.

- Advance Payment for Future Medical Expenses
- Automobile Insurance Premium
- Baby-sitting (healthy children)
- Commuting Expenses for the Disabled
- Controlled Substances
- Cosmetics and Hygiene Products
- Diaper Service
- Domestic Help
- Electrolysis (hair removal)
- Funeral Expenses
- Hair Transplant
- Health Club and Gym Membership
- Household Help
- Illegal Operations and Treatments
- Illegally Procured Drugs
- Maternity Clothes
- Non-Prescription Medicines (as of January 1, 2011)
- Nutritional Supplements
- Premiums for Accident Insurance
- Premiums for HSA Qualified Health Plan
- Premiums for Life or Disability Insurance
- Scientology Counseling
- Teeth Whitening
- Travel for General Health Improvement
- Tuition in a Particular School for Problem

## Opening Your HSA Online

In order to enroll, you'll need to open an account. The easiest and most convenient way is using our online account application at [www.heritagevalleyfcu.org](http://www.heritagevalleyfcu.org). It's easy, secure and will only take a few minutes.

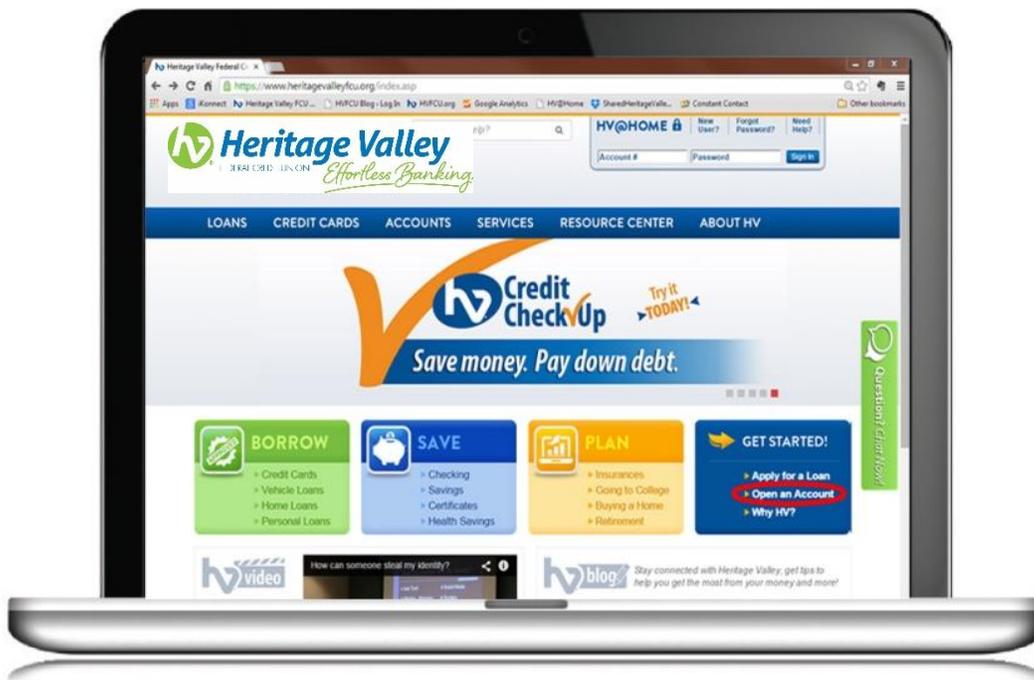
Please have the following information available for yourself and any joint applicants:

- Valid Social Security Number
- Date of Birth
- Your current physical and mailing address
- Email address
- Telephone number
- Valid government issued identification information (including number, issue and expiration date)
- At least a \$20 deposit - a minimum deposit of \$20 in all Primary Savings Accounts; this is your share in the ownership of the credit union, not a fee.

To get started, follow the steps illustrated below.

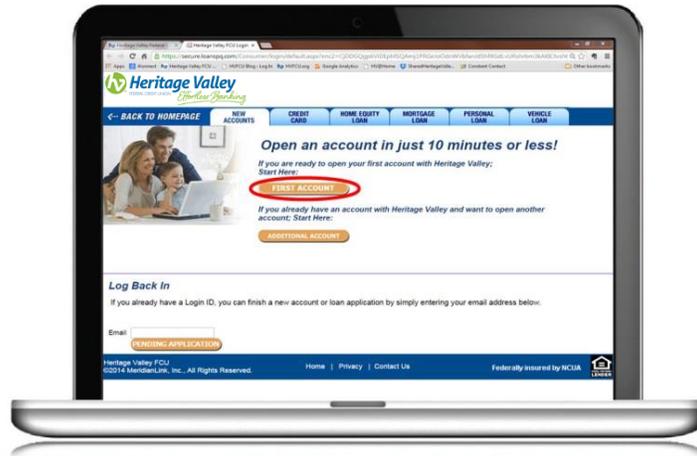
### Step 1:

Go to [www.heritagevalleyfcu.org](http://www.heritagevalleyfcu.org) and click on **"Open an Account"** within the blue "Get Started!" box. This will take you to the enrollment system.



## Step 2:

If this is your first time logging into our application system, you'll want to click on "First Account". If you already have an account with Heritage Valley, simply click on "Additional Account".



## Step 3:

In order to be a member with Heritage Valley, you must live, work, worship or be an immediate family member of an existing member. Please choose the description that applies to you under "How do you qualify?" Then read over the disclosures outlined under "Important Information." You must open and read each disclosure in order to move onto the next section.

## Step 4:

Heritage Valley requires all members to open a Primary Savings Account in order to have any other type of account. A Primary Savings Account holds the \$20 required minimum balance. If you would like to open any other types of accounts, please click "select" under each tab. For example, to open the Health Savings Account, open the "HSA" tab and click "select" to add the share to your account.

## Step 5:

Select the services you would like to add to your account shares. For example, if you selected a checking account, check the box that states "ATM debit card" to add this service to your Checking Share. When you are finished, click "add account."

## Step 6:

If you wish to open a Health Savings Account, please decide whether you would like a Family or Single HSA.

*Note: If only you are covered under your health insurance, choose Single HSA. If you and your spouse/family are covered under your health insurance, choose Family HSA.*

Health Savings Accounts do not have a minimum balance but if you wish to make a contribution, please indicate it on the "Add Account" screen under "Deposit Amount".

## Step 7:

Continue to follow the prompts to complete your information as well as those of any Joint/Authorized Signer that you also wish to add to the account.

## Step 8:

After submitting your information you will be prompted to enter your email address and create a unique password. Using this information you may sign back into the site at any time to check the status of your application.

## Step 9:

Account Funding - Your account must maintain a \$20 balance in the Primary Savings Account at all times. Please enter the amount you would like to deposit. You may enter a credit/debit card number, transfer from another

financial institution or mail a check to Heritage Valley. Please Note: No matter what payment method you select, it will only authorize a one-time debit to fund the opening of your account and will not be a recurring debit.

**Step 10:**

Review Info – Once you have reviewed your information and any Joint Owner’s on the account (*if applicable*) to make sure it is correct, click the box at the bottom of the page after agreeing to the disclosure.

**Step 11:**

Online Switch Kit - If you would like to switch all of your existing accounts to Heritage Valley, enter the other financial institutions’ information in the space provided. We will take care of sending them the request. If you would like to set up Automatic Payments or redirect your Direct Deposit to Heritage Valley, enter that information. This option is also available for any Joint Owner’s on the account.

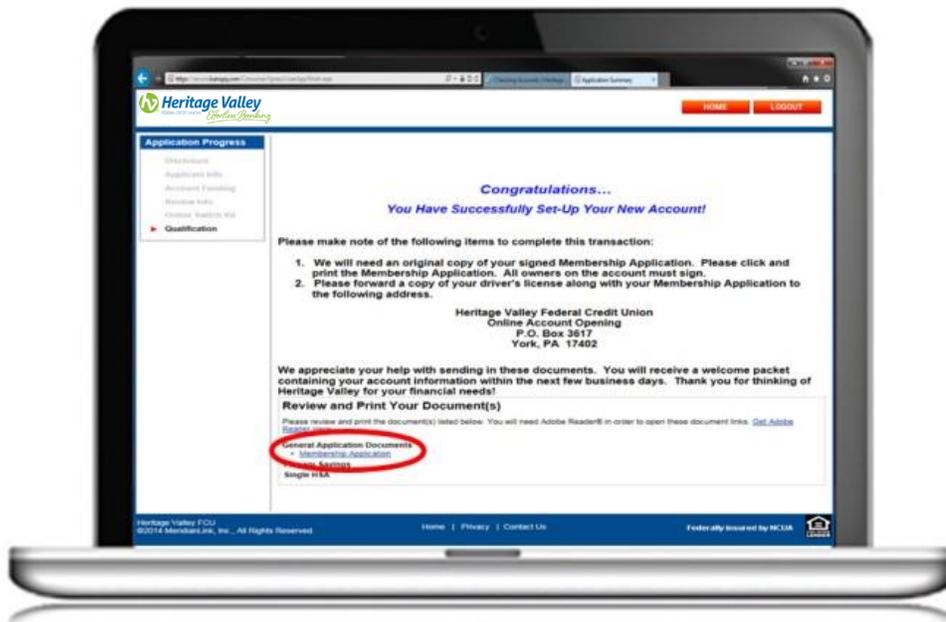
**Step 12:**

Congratulations! You have successfully completed the online portion of setting up your new account!

**IMPORTANT - In order to finish your account set-up, please complete the following two items:**

- Review and Print Your Document(s) – Click, print and sign the “Membership Application”. All owners on the account must sign.
- Please mail or fax us a copy of your most recent Drivers license or Identification card with your signed Membership Application to:

**Heritage Valley Federal Credit Union**  
**ATTN: Online Account Opening**  
**P.O. Box 3617**  
**York, PA 17402-0637**



After we receive your signed Signature Card and identification you will receive a Welcome Packet containing your account information and checks within the next few business days. Additional information will also be sent via email by our Member Service Representative. If you requested a Debit Card, it will be mailed separately and will arrive following the Welcome Packet. We thank you for your business and welcome you to Heritage Valley FCU!

## To Access Your Account

Your Welcome Packet will contain your Heritage Valley membership number and new HSA number which you will need in order to access your accounts via our Online banking and Phone banking. For instructions on how to sign-up for these FREE services please visit our website. If you'd like further assistance using these services, please contact Member Service toll-free at 877-214-1914.

## Contact Us

Contact Member Service at 877-214-1914, or send an email to [info@heritagevalleyfcu.org](mailto:info@heritagevalleyfcu.org) for more information.

## HSA's at Tax Time

- You'll receive Form 1099 SA for your yearly distribution total and Form 5498 SA for your yearly contribution total. These figures are reported to the IRS and they require you to report them on IRS Form 8889 when filing your federal taxes. See IRS Publication 969 or consult your tax advisor for further information.
- You may make contributions to your HSA for the previous calendar year up to the tax filing deadline, which is normally April 15th. On your deposit, be sure to indicate that the contribution is for the previous calendar year to ensure correct processing.

## Insurance Coverage Changes

- If you start an HSA-qualified health plan mid-year, you may contribute the full annual maximum to your HSA. However, a testing rule applies to those that start a HDHP any time other than January 1st. Per the IRS, you must remain an HSA-eligible individual through December 31st of the next calendar year. If you're not sure you'll remain on the plan, you may want to pro-rate your contribution amount in order to avoid having the excess added to your gross income and an additional 10% tax on that amount.
- If your insurance coverage changes from individual to family mid-year, you're eligible for the full family contribution limit for that calendar year.
- If your insurance coverage changes from family to individual mid-year, your contribution limit will need to be pro-rated according to how many months you were on each type of insurance coverage.

## What If...

**You fill a prescription at the pharmacy and need to pay for your medication using funds from your HSA.**

1. Pay using your HSA debit card
2. Write a check from your HSA

**You're at the pharmacy and realize you don't have your HSA debit card or checks with you, or you don't have sufficient funds in your HSA account.**

Pay for the purchase with personal funds and later pay yourself back from HSA by:

1. Writing a check to yourself
2. Making an ATM withdrawal
4. Use Online Bill Payment to mail a check to yourself

**You receive a medical bill in the mail and you do have funds available in your HSA for payment?** *(Be sure your insurance company has already processed the bill and that you're only paying your portion of the negotiated rate.)*

1. You can typically write your HSA debit card number on the provider invoice and have the payment debited from your account
2. Initiate an individual or recurring payment through online bill payment
3. Mail a check from your HSA

**You're faced with a medical emergency early in the year and you do not have enough in your HSA to cover your portion of the hospital bill?**

1. Ask to set up a payment plan. As funds are deposited into your HSA you can make payments to the provider using your HSA debit card, online bill pay, or checks.
2. Pay with another personal checking account, savings account, or credit card and then repay yourself as the funds accumulate in your HSA. Be sure to negotiate a discounted price for paying the bill in full up-front. Most providers will agree to offer a 10%-30% discount.

**You're required to pay for treatment at the time of service. Later, you receive reimbursement from the provider?**

1. Cash the check and pay for other eligible medical expenses and save those receipts.
2. Mail the check to Heritage Valley FCU for deposit into your HSA, indicating that it's a reimbursement.

**You're shopping at your local store and purchase groceries and a prescription. How should you handle paying?**

1. Ring up your groceries separately from your medical purchase and use your HSA debit card or checks for the prescription only.
2. Pay for everything with cash, credit card, debit card, or check, then repay yourself for the medical portion of the purchase later from your HSA funds.



## Health Savings Account

### Product Features

<b>Enrollment Fee</b>	None
<b>Minimum Opening Balance</b>	At least a \$20 deposit - a minimum deposit of \$20 in all Primary Savings Accounts; this is your share in the ownership of the credit union, not a fee.
<b>Annual Fee</b>	None
<b>Service Charge</b>	None
<b>Statement Options</b>	E-statement or Paper statements available
<b>Interest Rates</b>	Interest rates may vary based on account balance; rates subject to change; refer to our website for information or call Member Service at 877-214-1914
<b>Annual IRS Reporting and Updates</b>	5498-SA (contributions), 1099-SA (distributions), and adjustments for prior year contributions
<b>24/7 Automated Telephone Banking</b>	Local: 717-840-4793 Toll-free: 800-214-3634
<b>Deposit Processing</b>	Automatic deposit, mail in service, or in-person at any Heritage Valley location
<b>FREE Online &amp; Mobile Banking</b>	View statement, account activity, balance, and front and back of paid checks all at no charge
<b>FREE Online &amp; Mobile Bill Pay</b>	Pay bills online through online or mobile banking at no charge
<b>FREE VISA® Debit Card</b>	Up to two cards free for account owner and authorized signer
<b>ATM Access</b>	Free ATM withdrawals at any HV ATM; fees will apply for ATM withdrawals at non-HV ATM's; refer to bank fee schedule
<b>Check Fees</b>	None
<b>Bank Service fees</b> (overdraft, stop pay, etc.)	See our website or call 877-214-1914

**Phone:** 877-214-1914, Monday – Friday 9:00am – 5:30pm and Saturday 9:00am – 12:00pm

**Address:** Heritage Valley FCU, P.O. Box 3617, York, PA 17402

**Email:** [info@heritagevalleyfcu.org](mailto:info@heritagevalleyfcu.org)