

HSA Employee Handout

**KEEP MORE OF
WHAT YOU EARN.**

Invest in your health.

Boost your take-home pay, lower your medical costs and cut your income taxes with an HSA.

There's a relatively new way to pay for health care that is gaining popularity: A High Deductible Health Plan (HDHP) along with a Health Savings Account (HSA). The HSA allows you to use tax-free dollars to pay for medical expenses. This combination gives you ultimate control over how you spend your health care dollars.

Health Savings Account

When you have an HDHP, you can set aside money in a tax-free account to pay your out-of-pocket costs. Once you meet your deductible, your health plan kicks in. Any money left over in your HSA remains yours, allowing you to grow your funds over time.

Eligible Expenses

- Prescription medicines and drugs
- Hearing aids
- Orthopedic goods and prosthetic devices
- Doctors
- Dentists and orthodontics
- Osteopaths
- Chiropractors
- Optometrists, ophthalmologists, opticians and eyeglasses
- Over-the-counter medicines and drugs
- Chiropractists and podiatrists
- Nursing and personal care facilities
- Medical and dental laboratories
- Medical services and health practitioners
- Ambulance services, equipment and supplies

Benefits Debit Card

The primary benefits of the debit card are convenience and cash flow. Present your debit card at the time of service when purchasing eligible over-the-counter items, prescription drugs, office visit co-payments, etc. Payment is made directly from your spending account.

When you use your card, the card is swiped by the provider — just like your debit card — sending the date, dollar amount and provider name to Discovery Benefits.

Investment Options

1. Cash Account (Default Account)

Your funds start out in an interest-bearing FDIC insured cash account. There is no minimum deposit required for opening an HSA. Once your contributions reach \$1,000, you have additional choices.

2. Interest-Bearing Account

After you have \$1,000 in your cash account, excess funds are automatically transferred — in \$100 increments — into an interest-bearing FDIC insured account. Funds are automatically transferred between the cash and interest-bearing accounts as cash account fund levels increase or decrease. Interest rates are variable.

3. Mutual Funds

This is where your investing flexibility becomes a reality. At any time, you may invest funds from your interest-bearing account in a wide variety of mutual fund options. Mutual fund shares may be automatically sold to bring the cash account balance to the minimum threshold of \$1,000, when necessary. As with any mutual fund, your HSA investments are not FDIC insured and are made at your own risk. They are not guaranteed by Discovery Benefits or the fund custodian (Healthcare Bank) and may lose value.

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