

# Welcome to the Aetna HealthFund® Health Savings Account (HSA)

A health benefits plan and a tax-free savings account all in one.

Thank you for choosing Aetna!

We are excited that you have chosen a new approach to managing your health care and health care dollars. The Aetna HealthFund HSA is a special kind of savings account with a different kind of Visa® debit card than you may be familiar with, so we encourage you to thoroughly review this information package and save it as a reference when you begin using your HSA. If you have questions, please contact Member Services.

## Important Information about Your HSA

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### Making a Contribution

- You must be covered under a high deductible health plan (HDHP) in order to contribute to your HSA.
- You may contribute up to the maximum allowable annual amount, which is either the **lesser** of your health plan deductible or \$2,650 individual/\$5,250 family.\*
- You, your eligible family members, your employer or any combination of these may contribute to your HSA. Combined contributions from all sources cannot exceed the maximums outlined above.
- You must be covered under a high deductible health plan for the **entire calendar** year to contribute the annual maximum. If you are covered for less than a year, the maximum is prorated over the months that you are enrolled in the HDHP. For example, if you enroll in the HDHP and HSA on June 1, you will be allowed to contribute up to 7/12ths of the maximum allowable contribution for the calendar year.
- If you contribute over the maximum allowed in a calendar year, you will have made an excess contribution to your account. Excess contributions are treated as income and are subject to a six percent penalty if not withdrawn from your HSA before filing your federal income tax return for the taxable year. To withdraw excess contributions from your HSA,

contact Member Services and request a copy of the Request for Return of Mistaken HSA Contribution form.

- You may contribute by:
  - (a) Payroll deduction (if available through your employer), or
  - (b) Authorizing funds to be deducted from your designated bank account through electronic funds transfer (EFT), or
  - (c) Mailing a check with an HSA deposit slip. You'll find a supply of deposit slips in your HSA Welcome Kit. To order more, please contact Member Services.
- You can contribute to an HSA for a given year until April 15 of the next year. Contact Member Services for a Request Tax Year Designation Change for Contribution to HSA form.
- Be sure to contribute to your HSA account each year to make the most of your savings opportunity.

### Using Your Account

- You can **withdraw money** from your HSA to reimburse part or all of your qualified expenses (including your deductible, prescription drug expenses, copays and coinsurance payments). For a list of qualified expenses, visit [http://www.aetna.com/inyourstate/Member/plans/qualified\\_expenses.html](http://www.aetna.com/inyourstate/Member/plans/qualified_expenses.html)

\*These are 2005 maximums, which will be adjusted for cost of living in future years.



# Important Information about Your HSA

- Or you can choose to pay out of pocket and **save your HSA** to help pay for future health-related expenses, COBRA premiums, long-term care insurance premiums or certain retiree health expenses.

## Paying for Qualified Expenses

Your Aetna HSA Visa Debit Card is accepted at point-of-sale locations that offer access to NYCE®, Pulse® and Interlink® networks and wherever Visa® debit cards are accepted. When you're ready to make a purchase, simply:

- Present your card for payment to the clerk or swipe your card through the point-of-sale (POS) machine.
- Choose CREDIT or DEBIT.
  - If you choose CREDIT, your purchase amount will be subtracted from your HSA account balance and you will be asked to sign a purchase receipt.
  - If you choose DEBIT, you will be asked to enter your four-digit Personal Identification Number (PIN).
- The clerk will enter the amount of your purchase.
- The total will be subtracted from your HSA account balance.

You can use your card to make qualifying purchases over the phone or on the Internet. Just provide your card number and expiration date. You can also use Aetna HSA checks to pay for qualified expenses. If you have not already elected to receive Aetna HSA checks, you may do so by completing the Additional HSA Options Election form included in this package.

## Tracking Your Account Activity

- You can track your Aetna HSA account activity online anytime, day or night. Log on to Aetna Navigator® website at [www.aetna.com](http://www.aetna.com) to view your HSA account balance, account summary and account activity.
- A monthly paper statement, which includes contributions, withdrawals and interest accrued, is available upon request.

## Designating or Changing Your HSA Beneficiary

- You should complete an HSA Beneficiary Designation form indicating who should receive your account value if you should die. An HSA Beneficiary Designation form was included in your HSA Enrollment Kit.
- You can name anyone, but if you are married and want to designate someone other than your spouse as your beneficiary, federal law requires your spouse's signature otherwise, your spouse will remain your beneficiary.
- It is important to keep your beneficiary designation up to date and to keep a copy of the designation form for your records.
- You can make a change to your beneficiary designation at any time by completing another HSA Beneficiary Designation form.

## What Happens to Your Aetna HSA if You Leave Your Job or No Longer Participate in a High Deductible Health Plan?

1. If you leave your job and do not enroll in another high deductible health plan, you may:
  - Keep your HSA open with Aetna. Although you can no longer contribute, your HSA continues to earn interest and you can continue to withdraw

funds to pay for eligible expenses as defined by the IRS.

- Close your HSA account and receive any remaining funds (which may be subject to tax penalty) or transfer your HSA balance to a new HSA administrator with no tax implications.
2. If you enroll in a new high deductible health plan with Aetna or another carrier, you can:
    - Continue to make contributions to your Aetna HSA up to the maximum allowable annual amount as defined previously.
    - Contribute to a new HSA, if your new health plan offers one.
  3. If you are age 65 or over and enroll in Medicare Part A or B, you may also keep your Aetna HSA open, but no additional contributions can be made to your account. Your HSA continues to earn interest and you can continue to withdraw funds to pay for eligible expenses as defined by the IRS.

## Tax Reporting

The IRS requires that Aetna report HSA account activity to you and the IRS. If you have an HSA, you can expect to receive the following forms for tax reporting:

- Form 1099-SA for Reporting Your Account Distributions – you will receive by January 31 following the close of the calendar year.
- Form 5498-SA for Reporting Your Account Contributions – you will receive by May 31.

Using this information, 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 at [www.irs.gov](http://www.irs.gov). For more information on HSA tax reporting, contact your tax advisor.

# Questions and Answers about Your Aetna HSA and Aetna HSA Visa Debit Card



## Is there an annual “cap” or maximum amount that may be contributed to my HSA?

HSA contributions are limited to your health plan's annual deductible, or \$2,650 for an individual and \$5,250 for a family, whichever is less. If you participate in a high deductible health plan for less than the entire taxable year, the limit is prorated on a monthly basis. These are 2005 limits and will be adjusted for inflation in future years.

## Does the money in my HSA earn interest?

Yes. Your HSA funds earn interest tax free, and there is no minimum balance required to earn interest.

## Who can contribute to my HSA?

You, your employer or an eligible family member – or any combination – may make contributions to your HSA, up to the annual contribution limit.

## How do I contribute to my HSA?

You may contribute to your account through payroll deductions (if available), or you may

make contributions via check or EFT at any time in any amount up the maximum limit. You have until April 15 of the following year to make HSA contributions for the current year.

## When will contributions to my account be available for withdrawal?

HSA contributions will be available for withdrawal when funds are deposited. HSA contributions made by payroll deduction are prorated over the course of the plan year based on payroll schedules. HSA contributions may also be made via check or EFT at any time during the plan year. The availability of funds is dependent upon how funds are contributed and varies by individual.

## What is a qualified expense?

You can use your HSA to pay for your portion of qualified expenses that are covered by your high deductible health plan (HDHP). Additionally, you can pay for qualified expenses that your health plan doesn't cover, such as vision care (eye glasses and contact lenses), dental and orthodontic services and even long-term care insurance. For a complete list of “qualified expenses,” visit [http://www.aetna.com/inyourstate/Member/plans/qualified\\_expenses.html](http://www.aetna.com/inyourstate/Member/plans/qualified_expenses.html)

Remember: Under HSA regulations, you are responsible for determining which expenses are considered “qualified expenses.” Please consult your tax advisor for guidance.

## What if I don't spend all of my HSA funds by the end of year?

Any money you don't use rolls over into the next year and continues to accrue interest. You don't lose unused dollars with an HSA account.

## What happens if I contribute too much to my HSA?

The IRS imposes a penalty on excess contributions. Additionally, you would be required to pay tax on the interest earned on those excess funds. To withdraw excess contributions from your HSA, contact Member Services and request a copy of the Request for Return of Mistaken HSA Contribution form.

## Do I need to file claims with an HSA?

No. You simply pay for qualified expenses using your Aetna HSA Visa Debit Card or check. However, it is recommended that you keep copies of your receipts for your records in the event they are requested by the IRS.

## Using Your Aetna HSA Visa Debit Card for Payments

### What if I forgot my Aetna HSA Visa Debit Card, how do I pay for my expenses?

Pay for your expenses out of pocket. Then reimburse yourself from your HSA by obtaining cash at a select ATM. You can also use Aetna HSA checks to pay for qualified expenses. Only ATMs that display these logos will accept your card:



You will incur an ATM withdrawal fee for any ATM withdrawal. In addition, most ATM operators will also assess a “service fee” (typically between \$.50 and \$2.00) for use of their machine. You will not incur a service fee if you use a Chase or Bank One ATM.

### Are checks provided with my HSA?

Yes, checks are available upon request. If you have not already elected to receive HSA checks, you may do so now by completing the Additional HSA Options Election form included in this package.

### How do I use my Aetna HSA Visa Debit Card to pay for doctor's visits?

In most instances, you will not make a payment when you receive service. You should wait for the medical claim to be processed through the insurance company's claim system. The doctor's office will send you a bill requesting payment for the difference between the billed charges and the amount covered by the medical plan. You should write your Aetna HSA Visa Debit Card

number on the doctor's bill and submit for payment or use an HSA check.

### Are there daily withdrawal limits associated with my Aetna HSA Visa Debit Card?

The Aetna HSA Visa Debit Card has a daily withdrawal limit of \$3,000. Some ATMs may restrict the amount you can withdraw in a single transaction and you may have to use the ATM more than once to reach your HSA daily limit. Additionally, your daily purchase limit is \$5,000.

### If I forget my PIN, or have general HSA questions, who do I contact?

You may contact Member Services as indicated on the back of your Aetna HSA Visa Debit Card.

### How do I request an additional card?

If you want to order an additional Aetna HSA Visa Debit Card for your spouse or eligible dependent, please complete the Additional HSA Options Election form included in this package.

### What if I lose my card?

Call our dedicated lost/stolen card number at **1-866-524-2562**.

### How do I update my account information (e.g., address change)?

Please contact Member Services as indicated on the back of your Aetna HSA Visa Debit Card.

### Reminder: Before You Use Your Aetna HSA Visa Debit Card

Your card will not work unless it is activated. So for your protection *immediately*:

1. Call 1-866-295-9173 to activate your card.
2. Sign the signature box on the reverse side of the card.
3. Select a four-digit number that will become your Personal Identification Number (PIN).

**By activating this card, you accept the Terms and Conditions that accompany it.**

## Thank you for choosing the Aetna HealthFund HSA.

### Customer Support

Information about your Aetna HSA is available:

- Online at **www.aetna.com**.
- By phone, toll-free, call Member Services as indicated on the back of your Aetna HSA Visa Debit Card.

To report lost/stolen cards: **1-866-524-2562**.

E-mail: **efundscard@ezpaymt.com**.

**Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies. Aetna HealthFund HSA plans are underwritten or administered by Aetna Life Insurance Company. Features of this plan may vary based on the specific terms established by your employer. Please read your benefits materials carefully. Health Savings Accounts are not insured benefits. Credited interest rates are subject to change.**

Aetna HealthFund HSA may not be available in all states. With the exception of the Aetna Rx Home Delivery® service, participating providers are independent contractors in private practice and are neither employees nor agents of Aetna or its affiliates. The availability of any particular provider cannot be guaranteed, and provider network composition is subject to change.

Aetna HealthFund HSA withdrawals are to be used for qualified expenses. Withdrawals will be made at the Account Holder's discretion. Withdrawals that are not for qualified expenses are taxable and will be subject to penalty taxes in certain circumstances. While this material is believed to be accurate as of the print date, it is subject to change.