

F. INSTRUCTIONS:

HSA MONEY CAN BE USED FOR:

- Qualified Out-of-Pocket Medical Expenses as defined in Code 213 (see discussion of Section 213 below)
- Paying COBRA premiums
- Buying health insurance while receiving unemployment compensation
- Purchasing qualified long-term care insurance policy
- Accumulating money for use after retirement for:
 - + Any health insurance other than a Medicare supplemental policy
 - + Medicare premiums
 - + Retiree medical premiums under an employer plan

Non-qualified expenses are subject to income tax and a 20% excise tax (the excise tax does not apply to distributions made after death, disability, or attainment of age 65)

MAXIMUM CONTRIBUTIONS

- The combined employee/employer contribution can not exceed the lesser of the plan deductible or \$3,050 for self-only coverage and \$6,150 for family coverage
- Limits are applied on a monthly basis
- Catch-up contributions for those age 55 by the end of the tax year
 - + \$1000 per year
- Excess Contributions are treated as regular income and a 6% excise tax applies

ELIGIBLE INDIVIDUALS

- Must be covered by a high deductible health plan (HDHP) as of the first day of the month. A HDHP:
 - + Must have a minimum deductible of at least
 - \$1,200 self-only deductible
 - \$2,400 family deductible
 - + Must have a maximum out-of-pocket limit, including deductibles and co-insurance, of
 - \$5,950 self-only
 - \$11,900 family
 - + A lower deductible for preventive care is allowed
- Cannot be covered by a low deductible plan for any benefit that is covered by the HDHP. This would include being covered under your spouse's plan.

TAX BREAK

- Individual gets tax deduction for amounts contributed
- Amounts in the HSA build up on a tax-free basis
- Distributions for qualified expenses are not taxed (see 'HSA Money Can Be Used for' below)
- Employer gets a deduction on its contributions
- Amount of employer contribution is excludable from employee's taxable income
- Contributions roll over from year to year and are portable

A Qualified Medical Expense as described in Section 213 of the Internal Revenue Code is broader than what is covered under a typical medical, dental, or vision plan.

EXAMPLES INCLUDE:

- Medical, dental, and vision expenses not covered by insurance or other plans
- Alcoholism and drug addiction treatment
- Fertility and sterilization treatments
- Nursing home and certain long-term care services
- Travel expenses (mileage, parking, lodging, etc.) necessary to receive medical care
- Special controls, equipment, or improvements to accommodate a disabled family member
- Laser eye surgery, contact lenses, and cleaning solutions
- Dentures, orthodontics, including braces
- Hearing tests, hearing aids, and batteries
- Bandages, canes, crutches, and wheelchairs

Not Covered are non-qualified medical expenses.

EXAMPLES INCLUDE:

- Cosmetic surgery and procedures unless needed to correct deformity due to an accident, illness, or birth defect
- Health club membership
- Weight loss unless prescribed by a physician and related to a specific diagnosis
- Vitamins and nutritional supplements
- Bottled water and hygiene products
- Hair transplants and hair removal
- Domestic help or diaper services
- Over-the-counter drugs (non-prescription) **Includes:** headache and cold medicines, antacids, topical pain remedies, cough drops, etc.

**MAIL COMPLETED FORM TO BAC AT:
PO BOX 107
REYNOLDSBURG, OH 43068**

**OR FAX COMPLETED FORM
TO BAC AT:
(614) 863-0184**