

BenefitWallet®  
A Xerox Solution



## Health Savings Account (HSA) Member Guide



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# Welcome to the BenefitWallet HSA!

Congratulations on your decision to enroll in an HSA-qualified HDHP and taking the first step in using your tax-advantage account for health care expenses — both now and in the future. BenefitWallet® has developed this member guide to help you make the most of your Health Savings Account (HSA) and achieve your goals. Whether you are a first-time HSA member and have lots of questions or you're an experienced user and are familiar with how an HSA works, we can introduce you to BenefitWallet tools, information and educational materials that will help you make the most of your HSA.

Whether you plan to spend your funds over the short-term, save funds for significant expenses or even retirement, this guide will provide you with the knowledge and tools you need to plan for your anticipated saving or spending strategy.

## Contact us

If you have questions, please call the BenefitWallet Service Center at 1.877.472.4200, Monday – Friday from 8:00 a.m. – 11:00 p.m. (Eastern Time).

## What is a Health Savings Account (HSA)?

An HSA enables you to save, invest and spend funds for Qualified Medical Expenses on a tax-advantaged basis. HSAs are never taxed at a federal income tax level when you use your funds for Qualified Medical Expenses. HSAs are also tax-free in most states. Unused HSA dollars roll over from year to year, making HSAs a convenient and easy way to save for future health care expenses. You own your HSA and it remains with you even if you change medical plans in the future, change jobs or retire.

For more information, click on the video below or view our [Frequently Asked Questions](#).



# Your BenefitWallet HSA: Getting started

## 1. Confirm that you are eligible to open an HSA

You are eligible to open an HSA if:

- You are covered by a qualified High Deductible Health Plan (HDHP) as defined by the IRS
- You are not covered by another health plan that is not a qualified HDHP, such as a health plan sponsored by your spouse's employer or TRICARE
- You are not enrolled in Medicare
- You or your spouse are not participating in a general-purpose health Flexible Spending Account (FSA) or a Health Reimbursement Account (HRA).
- You may not be claimed as a dependent on another individual's tax return

## 2. Open your HSA

Opening your HSA is very important because if you do not open your account, you can't receive contributions or use the funds to pay for Qualified Medical Expenses.

If you agreed to the terms and conditions during open enrollment, then BenefitWallet received your electronic signature and your account will open automatically once you reach your effective date. Once we receive your enrollment, BenefitWallet will send you a Welcome Kit. If you already provided your electronic signature when you signed up for an HDHP, then your Welcome Letter confirms your account was already opened and there are no further steps required to open the account.

If you have not opened your account, your Welcome Kit provides you with instructions on how to do so – either electronically or by returning the enclosed Master Signature Card.

Remember: You must open your HSA before funds can be deposited (including any employer contributions) or withdrawn to pay for Qualified Medical Expenses.

## Online process to open your account

1. Log onto [www.mybenefitwallet.com](http://www.mybenefitwallet.com) or your health plan's website.
2. If you log onto [www.mybenefitwallet.com](http://www.mybenefitwallet.com):
  - a. Select the "First Time User" button located in the upper right hand corner of the Web page.
  - b. Create your personalized User ID by inputting the requested information and following the prompts. You will also be asked to enter a secure PIN and security questions. These can be used instead of a system-generated security code for authenticating your identity when accessing the website.
3. Once a User ID has been created, you will need to login to the website with your User ID.
4. You will be asked to enter a password. If this is your first time logging in, you will enter your Social Security Number and will then be prompted to create a new password.
5. Review and update your account information if needed.
6. Accept the terms and conditions of Web use.
7. After you select "Agree" you will receive a confirmation page verifying that you have opened your account. Then, you will need to click "Continue" to go to the HSA home page.

If you need help navigating the BenefitWallet member portal after you are logged in, please refer to the "Manage your HSA online through the member portal" section in the Table of Contents.

**If you log on through your health plan's website, you will not be required to enter a User ID or password.**

## Paper process to open your account

You can also open your account by completing and returning the Master Signature Card found in your Welcome Kit.

## Sign and return the Master Signature Card

Even if you open your account electronically, we encourage you to return the Master Signature Card for a number of reasons.

You can only receive a checkbook or designate a beneficiary if you complete and return the Master Signature Card. (For fraud prevention purposes, we need your signature on file.)

- **Signature on file:** To protect your money, it's a good idea to provide the bank with your "wet signature". Though it is not required to open your account, it is required to receive a checkbook and may be required at a later date if you ever decide to transfer your funds.
- **Order a checkbook:** If you would like to receive a checkbook, complete the checkbook indicator on the Master Signature Card.
- **Designate beneficiaries:** You can also designate an account beneficiary (a person who would inherit any HSA funds that remain in your account after death) by completing and returning the Master Signature Card.

### Patriot Act Screening

Because an HSA is an individually-owned checking account, BenefitWallet and The Bank of New York Mellon (the HSA custodian) participate in an identity confirmation process, required by federal banking regulations under the USA Patriot Act. This screening is done when you open a checking account at any bank.

If the bank cannot verify your information, they will send you a letter requesting additional documentation. It is very important that you return the requested documentation promptly. Your timely response will allow us keep your account open so you may receive all of your contributions and use them to pay for Qualified Medical Expenses.

## 3. Elect an HSA contribution through your employer or make a deposit directly

You can make a deposit to your account through payroll contributions (talk with your employer to find out how).

You can also deposit funds online or by check. To make a deposit by check, complete the deposit slip found in the Welcome Kit. Deposit slips are also available online, and if you requested a checkbook, five deposit slips will be included at the back of the checkbook. The check should be made payable to "The Bank of New York Mellon" and mailed to the address on the deposit slip.

If you currently have an HSA with another bank, you can either transfer or rollover the funds to your BenefitWallet HSA. The "[Trustee-to-Trustee Form](#)" is available on the BenefitWallet website. To rollover the funds, endorse a check from your prior HSA, making the check payable to "The Bank of New York Mellon". You will need to send this check along with the deposit slip and make sure to check the "rollover" box on the HSA Deposit Slip.

## 4. Receive and activate your debit cards

After opening your account, you will receive two debit cards in your name. Before you can use the debit cards, you must activate them by following the instructions provided within the debit card mailing. Once active, you may create a PIN. You'll need a PIN to use your debit card at an ATM. If you want to request additional debit cards, you may order them online or through the BenefitWallet Service Center. A fee may be applied for additional debit cards. Please refer to your "Rate and Fee" schedule for specifics. If you do not receive your debit card within two weeks of your account opening or your request for additional debit cards, please contact the BenefitWallet Service Center for assistance.

Your new BenefitWallet debit card can be used at certain locations. For example, you can use your debit card at a pharmacy or doctor's office, but not at a gas station or movie theater. This location restriction helps ensure that you use your HSA funds for eligible expenses and avoid potential tax penalties. Your debit card also contains an expense restriction that helps ensure only eligible items are purchased.

For more information on how to use your BenefitWallet card, please review our [Frequently Asked Questions](#).

## 5. Receive a checkbook

Even if you electronically provide your signature to open your account, you must complete and return the Master Signature Card to order a checkbook – free of charge. If you wish to receive a checkbook, you must fill in the circle underneath the “Request for Checkbook Heading” on the Master Signature Card. The initial checkbook is free of charge and will contain 40 checks and 5 deposit slips. A fee may apply for additional checkbooks. Please refer to your “Rate and Fee” schedule for specifics.

If you would like additional individuals to be able to sign the checks, they will need to sign and return the Additional Signature Authorization Form. To access the Additional Signature Authorization Form online, go to Forms and Documents in the Help Center and select “Additional Signature Authorization Form”.

**Please note:** There is a customized bar code in the lower center of the Additional Signature Authorization Form, which means it is unique to your account and should not be shared with others.

*\*For security purposes, your debit card and checkbook are mailed separately in generic envelopes.*

## 6. Start using your HSA

The funds in the HSA are yours to use to pay for medical products and services that the IRS deems to be a Qualified Medical Expense. Some examples are doctor and dental visits, orthodontics, glasses, prescribed over the counter medications, etc. A full listing of Qualified Medical Expenses can be found on the IRS website ([www.irs.gov](http://www.irs.gov)) under Publication 502. As with a personal checking account, you need to make sure you have money in your HSA to cover the amount of the expense. You can pay for these products and services with your debit card, online bill pay or by check. Also, if you pay out of pocket you can reimburse yourself for the expense(s) as long as the funds are available. You do not need to submit receipts with an HSA, but you should keep all receipts for the money used out of the HSA in case of an IRS audit. It is your personal responsibility to make sure the funds are used for Qualified Medical Expenses, or you may have to pay a penalty when filing your taxes.

Unused HSA dollars roll over from year to year, making the HSA an easy way to save and invest for future Qualified Medical Expenses. You own your HSA and can take it with you when you change medical plans, change jobs or retire. This means the funds in your account, contributed by you and your employer, are non-forfeitable and portable.

Funds in your account not needed for short-term expenses may be invested, providing the opportunity for funds to grow tax free. Investment options include money market accounts and mutual funds (see the Investment section for further details).

### Contributions

You can contribute to your HSA through:

- Payroll
- Online account-to-account transfer
- Mailing a check with a deposit slip
- Transferring an existing HSA balance to BenefitWallet to consolidate your accounts

### Payment options

You can pay for your health care expenses using your:

- Debit card
- Online bill pay
- Checkbook

Or, reimburse yourself for out-of-pocket expenses by:

- Online account-to-account transfer
- Writing an HSA check to yourself

### Resources to assist you

Available resources on [mybenefitwallet.com](http://mybenefitwallet.com) include:

- Modeling tools
- FAQs
- Educational material
- Video library

Call the BenefitWallet Service Center: 1.877.472.4200

# How your BenefitWallet HSA works

## For health care services

1. Receive the health care service that you need from your provider.
2. Your provider bills your health plan.
3. Your health plan sends you an Explanation of Benefits (EOB).
4. Your provider sends you a bill.
5. Pay your invoice with your HSA or pay out of pocket (you decide if you want to reimburse yourself or continue to build a balance in your HSA for future Qualified Medical Expenses).

## For pharmacy

1. Obtain your prescription.
2. Your pharmacy verifies your insurance coverage.
3. Pay for your prescriptions using your HSA or out of pocket (you decide if you want to reimburse yourself or continue to build a balance in your HSA for future Qualified Medical Expenses).

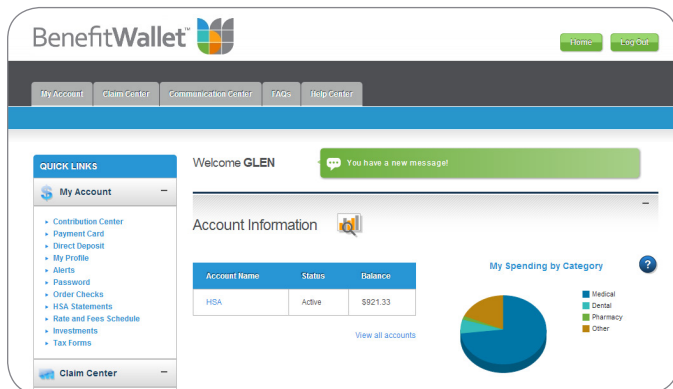
Remember it is always a good idea to keep your health care and pharmacy receipts!



# Manage your HSA online through the member portal

To access the member portal, visit [www.mybenefitwallet.com](http://www.mybenefitwallet.com) and enter your User ID to log in at the top right corner.

You will then arrive on your personalized member portal home screen, where you can access your account information and educational resources.



If you need help navigating the BenefitWallet member portal, information is available in the "Communication Center" after you log in to your account.

Click the video below for a short description of the highlights of our member portal.



## Updating personal information

The process for members to update personal data, including mailing address, email address and phone number, is described below. This process allows for direct ownership of your personal information and has significantly improved the accuracy of mailing addresses and email addresses being used to provide debit cards, checkbooks, reminders and requests for information.

1. Depending on how your employer or health plan directs you to log on to the BenefitWallet website:

- Log on directly to [www.mybenefitwallet.com](http://www.mybenefitwallet.com)\*, or
- After you log on to your health plan's or employer's site.

*\*You may be asked for a security code to authenticate your identity before going to the home page. If you need a security code, it will be sent to your email address on file or available through the BenefitWallet Service Center. If you have set up a secure PIN or answers to security questions, you may use these to authenticate your identity.*

2. Once you land on the home page, click "My Profile" from the Quick Links menu on the left.

3. From the "My Profile" screen, you can update your email address, phone number, mailing address, alternate contact information and even change your statement delivery method from paper to electronic, or vice versa.

Learn more about how to [update your personal information](#).



# How to make a payment to a provider or yourself

Making an online payment is easy. Just follow the two steps indicated below.

**Step #1: Go to the "Claims Center"**

Go to the claims center to initiate payments. Select "Make a Payment/ Add a Claim" for a new payment or reimbursement.

**Quick tip:** Select "Schedule Claim Payment" to schedule a future or recurring payment.

The screenshot shows the BenefitWallet Claim Center dashboard. It includes a navigation menu with 'My Account', 'Claim Center', 'Communication Center', 'FAQs', and 'Help Center'. A 'QUICK LINKS' sidebar lists 'Claim Center' and sub-links: 'Make a Payment / Add a Claim', 'Schedule Claim Payment', 'Filing Cabinet', and 'View Reimbursement Schedule'. The main content area displays 'Claim Summary' with a table for 'My Paid Claims by Account (12 mos)' and a bar chart for 'My Spending by Month'.

Account Name	Paid Amount
HSA	\$434.10

The bar chart shows spending by month from NOV 12 to OCT 13, with a significant spike in OCT 13.

**Step #2: Enter your payment or claim details**

Enter your payment or claim details, including amount, date and select your preferred method of payment. To add a new payee, select "Add New Payee," then continue. Select your name from the 'Pay To' drop down menu to reimburse yourself.

**Quick tip:** To electronically reimburse yourself, add direct deposit information by using the "Direct Deposit" Quick Link.

The screenshot shows the 'Enter Claim Details' form in the BenefitWallet system. It features a progress bar with steps: 'Enter Claim Details', 'Review Submission', 'Documentation', and 'Submit for Payment'. The form includes a choice to 'Submit Now' or 'Save for Later'. Below, there are input fields for 'Service For' (CHARRON, GLEN A. (Default)), 'Claim Amount', 'Vendor/Provider', 'Date of Service', and 'Service Type'.

# Mobile app

Members can access their BenefitWallet account on-the-go from the convenience of their smartphone!

The BenefitWallet app is a secure, interactive mobile application for members to access their account information. Log in to the app with your existing BenefitWallet User ID and password. Then, you can:

- View your account balances and transaction history
- View your filing cabinet of claims and documentation
- Upload photos of documentation
- View, access, submit and pay claims
- Access online bill pay
- Access FAQs and eligible expenses
- Tap to call the BenefitWallet Service Center

Watch this short video to preview the easy-to-use features.



Download the app from iTunes or the Google Play store or click the corresponding link below.

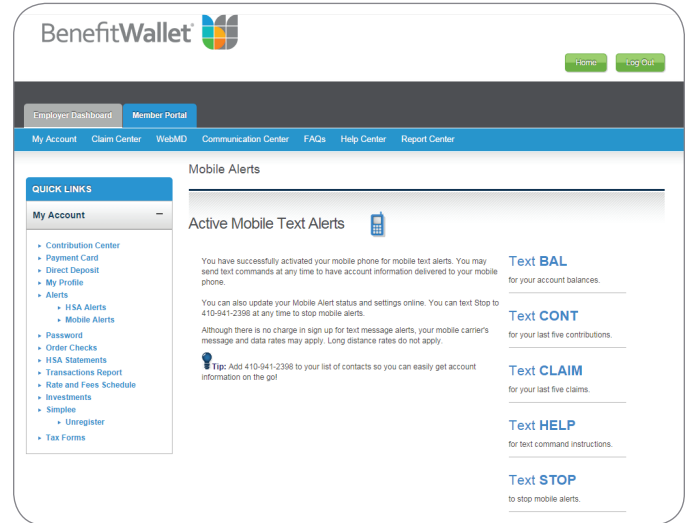
[Download the BenefitWallet app for iPhone](#)

[Download the BenefitWallet app for Android](#)

# HSA alerts and texting

You can set up notifications to keep tabs on your HSA even when you're not logged into your account. After logging in, go to "Alerts" from the Quick Links menu and select "HSA Alerts" to set up email alerts. Email alerts can be set up based on balance, transaction or other specified information.

To access your HSA information on-the-go via text messaging, login to your account, go to "Alerts" from the Quick Links menu and enter your cell phone number to sign up for texting. After signing up for texting, register your device by entering the activation code that is sent to the number you provided. You may text for your balance or other important HSA information.



# Statements

Once you open your account, you may access periodic electronic account statements reflecting current and year-to-date activity, by logging on to the BenefitWallet website directly or through your health plan's portal. If you opened your account electronically and provided an email address, you are set up to receive statement notifications when they are available. If you used the Master Signature Card to open your account, you will receive a paper statement mailed to your address on file. A fee may be charged to your account for a paper statement. Please refer to your "Rate and Fee" schedule for specifics. You can view/edit your statement method under your Account Profile on the website.



## The IRS HSA limits

Every year the Internal Revenue Service announces the inflation adjusted deduction limits for annual contributions made to Health Savings Accounts (HSAs) under Section 223.

Below is a recap of those limits:

IRS HSA Limits	2014	2015
HSA Contribution Limits:		
Individual Coverage	\$3,300*	\$3,350*
Family Coverage	\$6,550*	\$6,650*
HDHP Minimum Required Deductibles:		
Individual Coverage	\$1,250	\$1,300
Family Coverage	\$2,500	\$2,600
HDHP Out-of-Pocket Maximum:		
Individual Coverage	\$6,350	\$6,450
Family Coverage	\$12,700	\$12,900

*\*Persons age 55 or older may make additional "catch-up" contributions of up to \$1,000 in 2015 (the same amount as in 2014).*

# HSAs and taxes

HSAs provide triple-tax advantages: contributions, investment earnings and qualified distributions. They are all exempt from federal income tax, FICA (Social Security and Medicare) tax and state income tax (AL, CA and NJ are the only three states that do not allow a state income tax deduction).

You can use our [Tax Savings Calculator](#) to calculate your potential tax savings.

If you contribute to your HSA with after-tax dollars, you may deduct the contribution amount, subject to the maximum annual contribution limits from your taxes at filing time by taking an Above the Line deduction. "Above the Line" means you will reduce your taxable income regardless of whether you itemize or use the standard deduction on your income tax form.

The IRS establishes contribution maximums for individual and family coverage each year. Please refer to IRS HSA Limit table found on page 12.

These amounts apply as long as you enroll in qualified HDHP coverage before the first day of December and as long as you continue to maintain qualified HDHP coverage for the next 12 months. If you do not maintain the qualified HDHP coverage for the full 12 months, you will need to prorate the amount you are eligible to contribute and have the excess returned. You have until April 15 of the following year to make a correction to your contribution amount. If you decide not to make a correction and have over contributed, the excess amount is subject to a 10% excise tax and the excess amount will need to be added as ordinary income when filing your taxes.

If you are enrolled in the HDHP for the full year and happen to contribute over the IRS maximum based on your level of coverage, you do have until April 15 of the following year to make a correction. If you decide not to make a correction and have over contributed, the excess amount is subject to ordinary income and a 6% excise tax when filing your taxes.

Use the [HSA Contribution Limit Calculator](#) to calculate how much you can contribute this year.

Distributions from your HSA that are used exclusively to pay for Qualified Medical Expenses for you, your spouse or tax-qualified dependents are excludable from your gross income. Your HSA funds can be used for qualified expenses and will continue to be free from federal income tax and state taxes (for most states), even if you are not currently eligible to contribute to your HSA.

If you take a non-qualified distribution, you are subject to ordinary income tax and a 20% penalty tax when filing your taxes for that year. If you are age 65 or older, disabled, or for the year in which you die, the 20% penalty may not apply.

## Making sense out of the HSA tax forms

Combined tax forms are mailed to BenefitWallet members by January 31 of the following tax year. The information on these forms is submitted to the IRS. Members receive these combined tax forms for their records only. Members use the information on these forms to complete IRS Form 8889. The 1099-SA and 5498-SA forms do not need to be attached to the member's tax return.

**Tax form 5498-SA:** This form reports contributions made to a member's HSA by the member or by an eligible individual on the member's behalf, as well as contributions made by their employer, if applicable. The IRS requires BenefitWallet to issue form 5498-SA to every member who had any contribution activity in their HSA during the previous tax year. Members can access this form by logging into their HSA and selecting "Tax Forms" from the Quick Links menu. Then select the year. You can access forms for the prior three years online.

**Tax form 1099-SA:** This form reports distributions made from your HSA. The IRS requires BenefitWallet to issue Form 1099-SA if you took a distribution from your HSA during the previous tax year. You may access this form by logging into your HSA and selecting "Tax Forms" from the Quick Links menu. Then select the year. You can access forms for the prior three years online.

**IRS form 8889:** You must obtain, complete and file IRS Form 8889 as part of your federal tax filing each year. You can download the form here:

<http://www.irs.gov/pub/irs-pdf/f8889.pdf>.

If both you and your spouse have an HSA, then two forms are required (one for each account).

*\*\*Please note: Track your year-to-date contributions via the web or your account statements. If you or your employer makes any updates to your contribution totals for the previous tax year after the first week of January, you will receive an amended tax form in the mail at the end of May. You can verify your year-to-date contribution amounts via the website, or via the voice response system when calling the BenefitWallet Service Center.*

## Additional HSA tax resources available

Two online tax educational videos are now available. You may either click on the links below or access the tax programs on our website at [www.mybenefitwallet.com](http://www.mybenefitwallet.com) (click on the "Resource Center" link in the upper right corner of the home page).

- [Video: Tax guidelines for HSAs](#)
- [Video: Information on HSA tax forms](#)

[Tax FAQs](#) are also available through the "Resource Center".

# Investments

Unlike other health care accounts, the HSA has no provision insisting you “use or lose” your account dollars at the end of the year. Any funds you do not use in a given plan year remain in your interest-bearing account for future Qualified Medical Expenses. Over time, you can build a nest egg of savings. Once you reach a minimum balance of \$1,000, you can elect to invest any amount over the \$1,000 threshold. HSA members may transfer funds back and forth between their Checking Account and their Investment Account online and at any time. Members can invest HSA dollars in the investment options offered by BenefitWallet and pay no federal taxes on any interest and/or investment earnings, as long as this money remains in their HSA and is used to pay for qualified health care expenses.

## Features of BenefitWallet’s investment platform include:

- Over 20 investment options
- A variety of fund families
- An initial investment minimum as little as \$1 once the HSA checking account balance reaches \$1,000
- Automatic transfers into, out of, or within a selection of mutual funds with the threshold set by the member and sweeps occurring any time the account reaches that threshold
- Additional investments can be added online, at any time
- Access through the member portal – no other ID and password is needed to manage the investment account
- A comprehensive suite of tools – available online to help the member select investments and expand their investment knowledge

A monthly fee may apply. There are no additional transaction fees, loads or commissions.

Learn more about [available investments](#).

You can also use our [HSA Future Goal Calculator](#) to help determine what you need to do in order to reach your savings goal.

