

HSA SMARTNEWS!

March 2011

How to Get the Most Out of Your HDHP and HSA

Contributing to Your HSA

Making regular contributions to your Health Savings Account (HSA) is simple and convenient. After you have enrolled and made your initial deposit, plan to fund your account regularly and save towards future medical expenses.

Signing up for **direct deposit** through your payroll provider is the most convenient and effortless way to make contributions to your account. With direct deposit, you make regular deposits to your HSA when you receive your paycheck. This is a simple and smart way to grow your savings, without having to think much about it.

With our free Funds Transfer tool, **electronic transfers** are another effortless way to contribute funds to your account. This service allows you to make electronic transfers from your outside checking account, savings account or credit card to your HSA. You may make a one-time transfer, or schedule recurring transfers.

Funds Transfer is available through our Web site (log on and navigate to "My Accounts > Funds Transfer") and can be initiated anytime, anywhere. Of course, if you schedule recurring transfers, you can always change the amount and/or schedule of your transfers, if you change your mind.

Mailing a **check or money order with a completed deposit slip** is another easy way to contribute to your HSA and grow your account. Simply (1) make the check payable to yourself for any amount, (2) endorse the back with your signature, "for deposit only" and your HSA account number, and (3) mail it to us with a completed deposit slip. Deposit slips are available on our Web site under "Managing Your HSA > Forms > Health Savings Account Contribution/Refund Deposit Slip."

To learn more about making deposits to your HSA, visit our Web site and go to "Managing Your HSA > Making Deposits."

Free Preventive Care with Your HDHP

Start taking better care of yourself by taking advantage of preventive care services offered by your health care provider! Americans enrolled in High Deductible Health Plans (HDHPs) are entitled to many recommended preventive care services at no cost.

Are you up-to-date with your medical care? Now is a great time to see your doctor for an annual checkup or other preventative care services. If you have a family history that runs the risk of certain diseases, such as heart disease or cancer, you may want to schedule appropriate screening tests, so that you are aware of and can manage your risks. Women of a certain age may want to schedule a mammogram, and seniors may want to get a blood test to determine bone density.

Whatever your age or family history, the best results can come from taking control of your health and being tested annually.

Due to changes introduced by The Affordable Care Act, many preventive services no longer carry a co-payment or out-of-pocket expense. Specifically, if you purchased or joined a new plan on or after September 23, 2010, insurance companies must cover recommended preventive services without charging out-of-pocket costs. Services such as mammograms, colonoscopies, immunizations, pre-natal care and new baby care are covered, and insurance companies are prohibited from charging deductibles, co-payments or co-insurance for those services.

To learn more about how these changes can benefit you and your family, visit www.healthcare.gov/law/provisions/preventive/index.html, a site that helps clarify and summarize the changes resulting from healthcare reform.

Tax Time! Filing for 2010

Have you collected everything you need to file your income taxes for 2010? If you are still wondering what else you may need, or you want to verify that the documents you have are correct, visit our Web site and learn what you need to know about HSAs and filing taxes.

On our "2010 Tax Information for HSAs" page, we:

- Help you locate and understand the HSA-related tax forms.
- Identify which forms and documents you need to file and which you just need to keep for your records.
- Help you understand how to take full advantage of the tax benefits of making contributions to your HSA. Remember that you have through April 18, 2011 to make contributions to your HSA for 2010 (up to the maximum amount allowed by the IRS for the year).
- Explain how to handle excess contributions and who qualifies for catch-up contributions.
- Explain what counts as a qualified medical distribution and how to correct it if you have made a mistake. Remember that you can reimburse yourself for out-of-pocket qualified medical expenses you had last year, as long as your HSA was established then.

To take advantage of this consolidated HSA-related tax resource, visit our Web site and click on the "Tax Alert" banner at the top of the home page.

FAQs and Tips

What should I do if I did not receive or I misplaced Form 1099-SA for my HSA?

IRS Form 1099-SA for your HSA was mailed to you in late January. It provides the total amount distributed from your HSA in 2010 (you may have received more than one form – one for each type of distribution you had during the 2010 tax year). The form does not need to be filed with your taxes, but you will need the totals included on the form for tax-reporting purposes. Please keep in mind that if you did not make any distributions from your HSA in 2010, you will not receive a 1099-SA for the year.

If you do not have the 1099-SA for your HSA for 2010, you have several options:

- **Log on to our Web site** and navigate to "My Accounts > HSA Snapshot." Your HSA Snapshot provides your current year (2011) and prior year (2010) contribution and distribution totals.
- **Call our automated telephone system** for details about your 2010 and 2011 HSA contributions and distributions. Use our regular Customer Service line, press 1, 1, 1, enter your account information, then press 5.
- **Request another copy of your 1099-SA** by calling Customer Service and speaking to one of our experienced HSA Customer Service Representatives. The duplicate copy of your Form 1099-SA will take up to four weeks to be delivered by mail, but our Customer Service Representatives can provide you with the distribution totals included on the form that you need for tax-filing purposes. Remember that you do not need to attach your Form 1099-SA to your income tax return.

If you need further assistance, please visit our Web site and navigate to "HSA Resources > 2010 Tax Information for Health Savings Accounts."

Attention Breastfeeding Women: Lactation Expenses Approved for Reimbursement or Purchase with HSA Funds

Breast pumps and other supplies that aid in breastfeeding are now approved as qualified medical expenses for HSA purposes.

These devices are now covered under §213(d) of the Internal Revenue Code, because, like obstetric care, they are for the purpose of affecting a structure or function of the body of the lactating woman.

To learn more, visit www.irs.gov/pub/irs-irbs/irb11-09.pdf (Announcement 2011-14, page 532).