



A benefit of  
Western Health Advantage

**HealthEquity**<sup>®</sup>  
Building Health Savings<sup>™</sup>

## A HASSLE-FREE HEALTHEQUITY<sup>®</sup> HSA: A HEALTHY CHOICE FOR SAVING

As a benefit of your HSA-compatible health plan with Western Health Advantage, you have access to an easy, hassle-free health savings account (HSA) from HealthEquity. Discover the best way to save for health care, and a great way to save on taxes.

### What Is an HSA?

An HSA is a tax-free savings account that works with a qualified health plan to help you pay your insurance deductible and qualified out-of-pocket medical expenses.

You take the money you would have paid for higher health insurance premiums and use it to pay qualified medical expenses or save it and let it grow from year to year. What's more:

- ▶ Your HSA—including all the money you and your employer (if applicable) contribute—is yours.
  - You won't lose it if you don't spend it, change jobs, retire, or leave the health plan.
- ▶ You never pay taxes on withdrawals for qualified medical expenses<sup>1</sup>.
- ▶ Your money earns interest and you don't pay taxes on the interest earned<sup>1</sup>.
- ▶ Your contributions are tax-free and reduce your overall taxable income.

### Who's Eligible for an HSA?

Anyone meeting the following requirements is eligible for an HSA.

- ▶ Be enrolled in a qualified health plan.
- ▶ Have no other health coverage except what's permitted by the IRS (see IRS Publication 969).
- ▶ Not be enrolled in Medicare.
- ▶ Not be claimed as a dependent on someone else's tax return.

### Benefits of Your HealthEquity HSA

#### Your HealthEquity HSA includes:

- ▶ **Easy-to-use online access to claims and payments**—access claims<sup>2</sup>, pay bills, get reimbursements, and more—all from a single, easy-to-use online portal.
- ▶ **Live service 24/7/365**—get the same service at 2 a.m. or 2 p.m. from knowledgeable, US-based HealthEquity Member Services specialists.

- ▶ **Remarkable education and support**—Rely on HealthEquity Member Services and online resources to get the most from your HSA.
- ▶ **Knowledge of your Western Health Advantage claims data** to “bridge the gap” between your responsibility under insurance, and your payments from your HSA.

#### ▶ Everything you get from a typical HSA and more—including:

- FDIC-insured cash deposits that earn competitive interest rates
- Free mutual fund investment options with no transaction fees<sup>3</sup>
- Free HealthEquity Visa<sup>®</sup> health account card<sup>†</sup>



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## Why an HSA Might Be Right for You

Seventy percent of people have less than \$1,000 of medical expense a year (including what both the insured and the health plan pay<sup>4</sup>). Why not invest the money you'd pay for premiums in an interest-bearing, tax-advantaged HSA and lower-premium health plan?

Even if you have higher medical expenses, an HSA often costs less than a traditional plan when you combine what you save on premiums and your out-of-pocket maximum. See the health plan comparison tool in the resource center at [www.healthequity.com](http://www.healthequity.com) and see the savings for yourself.

## Frequently Asked Questions

To learn even more, visit [www.healthequity.com](http://www.healthequity.com) or contact HealthEquity Member Services by phone or at [memberservices@healthequity.com](mailto:memberservices@healthequity.com).

### Q. HOW MUCH CAN CONTRIBUTING TO AN HSA SAVE ME ON TAXES?

A. If you're in the 25% tax bracket and contribute \$1,500, you save \$375 in taxes\*! In addition your \$1,500 grows tax-free in your HSA. And when you incur costs, you have money you can withdraw with no tax penalty for qualified medical expenses.

#### Sample Tax Savings

Your contribution: **\$1,500**

Annual medical expenses: **\$500**

	5 years	10 years	20 years
Saving with interest at year's end <sup>†</sup>	\$5,101	\$10,462	\$22,019
Cumulative tax savings <sup>‡</sup>	\$2,295	\$4,670	\$9,671

\*Examples based on a 1% interest rate on HSA compounded over time, a 5% state tax rate, and a 25% federal tax bracket. Individual results will vary based on the amount contributed to the HSA, medical expenses, and tax bracket.

Calculate your own savings at  
<http://healthequity135.vtoolkit.com/appToolkit/app/login/loginGlobal.cfm>.

### Q. WHAT'S A QUALIFIED MEDICAL EXPENSE?

A. Qualified medical expenses are those that generally qualify for the income tax deduction outlined in IRS Publication 502. See [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf) for a complete list or visit the resource center on [www.healthequity.com](http://www.healthequity.com).

### Q. WHO CAN PUT MONEY IN MY HSA?

A. Anyone can contribute to your HSA. Only you (and your employer, if a contributor) receive tax deductions on monies contributed. And your contribution is tax-free.

### Q. HOW MUCH MONEY CAN I CONTRIBUTE TO MY HSA?

A. In 2013, the maximum contribution set by the IRS for an individual is \$3,250 and \$6,450 for family coverage (up from \$3,100 and \$6,250 in 2012). People 55 and older can make an additional \$1,000 "catch-up" contribution. Limits are the same regardless of the source.

### Q. CAN I TAKE THE MONEY OUT OF MY HSA ANY TIME I WANT?

A. Yes. You can take money out anytime tax-free and without penalty as long as it's to pay for qualified medical expenses. If you take money out for other purposes, you'll pay income taxes plus a 20% penalty.

### Q. CAN I USE THE MONEY IN MY HSA TO PAY FOR MY CHILDREN'S MEDICAL EXPENSES?

A. Yes. Your HSA can be used to pay the qualified medical expenses of any family member who qualifies as a dependent on your tax return. If the dependent isn't on your health plan, his/her expenses won't apply to your deductible.

### Q. CAN I ACCESS MY HSA ONLINE?

A. Yes. Simply visit your member portal or [www.myhealthequity.com](http://www.myhealthequity.com).

[www.healthequity.com](http://www.healthequity.com)

877.300.4987

HealthEquity does not provide medical or tax advice. Content should not in any case replace professional medical or tax advice. If you have questions regarding a medical condition, please consult a qualified health care professional. Please consult your tax adviser for tax questions.

<sup>†</sup>This card is issued by The Bancorp Bank pursuant to a license from Visa U.S.A. Inc. The Bancorp Bank; Member FDIC.

<sup>‡</sup>Under federal law and most state laws.

<sup>§</sup>Requires that your health plan be integrated with HealthEquity.

<sup>¶</sup>Investment options and balance thresholds required to invest vary and are subject to change.

<sup>¶¶</sup>2006 claims data from insurer with more than 700,000 lives.

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