



A Better Way to Pay for Your Health Care

# Today & Tomorrow

## The Chase Health Savings Account (HSA)

The Chase HSA is a special tax-advantaged account that is used with a high-deductible health plan "HDHP," and allows you and your family members to pay for various [qualified medical expenses \(PDF\)](#)—from co-payments at your doctor's office to pharmacy bills, dental care, vision care, and more.

Whether you're planning ahead to cover unexpected medical expenses or you're strategizing to offset your high annual deductible, the Chase HSA makes good sense. Why spend out-of-pocket when the Chase HSA tax advantages can save you up to 20% to 30% on your bills?

For more information please visit [www.chase.com/hsa](http://www.chase.com/hsa)



## The Chase HSA

If you're concerned about the high costs of health care or you want to plan ahead for any potential medical expenses that may arise, the Chase Health Savings Account (HSA) may be a very good, economical option.

**Here's why:** Say you've got high out-of-pocket deductibles to meet with your health insurance plan, or you're hoping to finally have LASIK eye surgery that's not covered by your plan. Rather than paying for these expenses with your checking account or credit card, you can use your HSA to cover these costs with pre-tax dollars. In a sense, you'll get a discount on medical expenses.

### Benefits

#### ***You own it***

The money that you contribute to your account belongs to you immediately. You decide when and how to spend it for qualified medical expenses.

#### ***Triple tax advantages***

You can fund your account through tax-deductible contributions. Interest earned on the funds is tax-deferred and distributions from the account are tax-free if spent on qualified medical expenses.

#### ***No "use it or lose it" condition***

Unlike flexible spending accounts, any money you don't use in your HSA account will remain from year to year and accrue interest until you use it. No need to scramble at the end of the year to spend what's left in your account.

#### ***Grow your funds***

Once your HSA balance reaches \$2,000, you are eligible to open an [HSA Investment Account \( \[learn more.\]\(#\) \)](#) where you can choose from a variety of mutual funds, all supporting a range of investment objectives and time horizons.

#### ***Supplement your retirement***

After you turn 65, you can use the funds in your account on a taxable basis for anything, not just qualified medical expenses. Your pre-tax contributions go to work for you over the years, helping you save for your golden years.

***Convenient payment process***

We'll send you a Chase HSA debit card accepted by millions of doctors' offices, hospitals and merchants. You can also make payments easily with Online Bill Pay via the secure HSA website.

***Manage your account online***

The Chase HSA accountholder website enables you to easily and securely access and manage your account, any time and anywhere you have access to the Internet.



## Using Your HSA

# Using Your Health Savings Account

The Chase Health Savings Account (HSA) gives you a convenient and flexible way to pay for your qualified medical expenses using your tax-advantaged dollars. You have a choice of paying with the Chase VISA® branded HSA debit card that comes with your account, paying online with the Chase Online Bill Payment Service or writing a check if you opt to receive HSA checks<sup>Footnote 1</sup> (Opens Overlay) . You can also pay for expenses out-of-pocket and then reimburse yourself later from your HSA.

## Paying at the Doctor's Office or Pharmacy

You can use your Chase HSA debit card at doctor's offices, pharmacies and other locations where debit cards are accepted. Present your card at check-out and either provide your signature or PIN to make your payment.

## Making Payments and Managing Your Account Online

We provide a website dedicated to your HSA account. All in one place, online, you can check your account balances, see a detailed transaction history, make payments, receive email alerts and access a wealth of educational resources. And, if you've added an HSA Investment Account to your HSA, you can access and manage your account.

## Qualified Versus Non-Qualified Expenses

The following lists give you a general overview of qualified and non-qualified expenses. The good news is that you may use your HSA for all kinds of medical expenses that your health plan may not cover. These lists are not all-inclusive, and are subject to change by the IRS. Remember that any HSA funds used for non-qualified expenses are taxable, and will also be subject to a 20% IRS tax penalty, except in the case of distributions made after your death or disability, or if you're under age 65. Consult a tax professional if in doubt about a particular expense.

## Sample Qualified Medical Expenses

- Acupuncture
- Alcoholism treatment
- Bandages
- Birth Control Pills
- Braces
- Chiropractor
- Contact lenses
- Convalescent home (medical)
- Dental treatment/fees
- Drug addiction therapy
- Eyeglasses
- Handicap equipment
- LASIK eye surgery
- Nurses (registered) and nursing homes
- Ophthalmologist, optician and optometrist
- Prenatal care
- Prescription medicines
- Psychotherapy
- Surgeries/Operations (non cosmetic)
- Special school or home costs for the physically and mentally impaired
- Tuition for child with learning disability
- Hearing aids and batteries

## Non-Qualified Medical Expenses

- Athletic club membership
- Cosmetic surgery and procedures (unless due to accident, birth defect or disease)
- Illegal operations, drugs or treatments
- Over-the-counter medication (e.g., aspirin, cold medicine)Footnote <sup>2</sup> (Opens Overlay) unless prescribed
- Premiums for life insurance, disability, etc.
- Special foods or beverages
- Stop-smoking programs
- Weight loss programs



## Contributing to Your HSA

After you have opened your Chase Health Savings Account (HSA), making contributions to your account is an easy process.

### Individual Funding Methods

- You can make one-time or recurring deposits from your checking account via the secure HSA website
- Deposit a personal check with an HSA deposit slip
- Roll over funds from another HSA

### Employer Funding

Set up payroll deductions with your employer—an ideal funding method, as you contribute your pre-tax dollars to your account.

### Contribution Limits

The annual amount you can contribute to an HSA is set by federal regulations. For 2013, the maximum annual contribution is \$3,250 for self-coverage and \$6,450 for family contributions. If you're 55 or older, you can make catch-up contributions. Our [contribution calculator](#) can help you determine your individual maximum.

### Contribution Strategies

What's great about the HSA is that you can tailor your contribution strategy to meet your needs:

**Preserve your current cash flow** – If you're on a tight budget and you'd like to maximize your disposable income, start with small contributions whenever you can afford them and then add funds when you incur a medical expense. You can immediately reimburse yourself to get the tax savings.

**Grow with slow and steady contributions** – Fund your account monthly or bi-monthly with recurring transfers from your checking account or payroll deductions. Money in your HSA is FDIC-insured and earns interest tax-free. Once your balance reaches \$2,000, you can add an HSA Investment Account and have access to a number of mutual funds, each investing in different types of securities with distinctive risk and return characteristics.

**Time your contributions to your advantage** – You can make contributions to your HSA for a given year as late as the tax filing date for such year (generally April 15 of

the following year). Remember though, it's a good idea to fund your account as early in the year as possible to maximize your annual growth potential.