



# A Short Guide to your Optum Bank<sup>SM</sup> HSA

How to Open and Get Started  
with a Health Savings Account (HSA)  
from Optum Bank<sup>SM</sup>.

Open your HSA with Optum Bank today.  
It's quick and easy - go to  
[optumbank.com](http://optumbank.com) to get started.





# Getting started with your HSA

Congratulations. By enrolling in your company's high-deductible health plan you may be eligible to open and save in a health savings account (HSA) from Optum Bank<sup>SM</sup>, Member FDIC. Here is some information about how an HSA works and directions for getting started.

## What Is an HSA?

Think of an HSA as a savings plan for health care you'll need today, tomorrow and into the future. It works like a regular bank account, but you don't pay federal income tax on the money you deposit. When you use your HSA money to pay for qualified medical expenses, you won't pay income taxes on the money, either. You even build your savings into a nest egg for retirement.

Unlike a flexible spending account (FSA), your savings grow from year to year. There's no "use it or lose it" rule. The money is there when you need it. And it's yours to keep.

## Why Have an HSA?

An HSA simply helps you plan, save and pay for health care.

### You own it.

The money belongs to you, even deposits made by others, such as an employer or family member. You keep it, even if you change jobs, change health plans, or retire.

### It has triple tax benefits.

- Money deposited is federal income tax-free.
- Savings grow tax-free.
- Withdrawals made for qualified expenses are also income tax-free.

### Anyone can contribute.

You, your employer or a loved one. There are no restrictions on who can put money into your account.

### It's not just for doctor visits.

You can use your HSA to pay for medical needs such as eyeglasses, hearing aids and qualified prescriptions. You can even use your savings to pay for other kinds of health insurance, such as COBRA, long-term care and any health plan coverage you have while receiving unemployment compensation. When you turn 65, you can use HSA savings to pay for any tax-deductible health insurance (except for Medicare supplemental insurance).

### You can invest it.

Once your balance reaches the designated investment threshold,\* which is typically around \$2,000, you can begin investing in mutual funds. If you earn money on your investments, you don't pay income tax on that money, either.

### You can save for the future.

By saving in an HSA, you can be ready for expenses due to illness or accident. And, after you turn 65 or become entitled to Medicare benefits, you may withdraw money from your HSA for expenses that are not qualified medical expenses which are subject to standard income taxes, without penalty. Save as much as you can now, and you could have a nice nest egg when you retire.

\*Investments are not FDIC insured, are not guaranteed by Optum Bank<sup>SM</sup>, and may lose value.

## When should I establish my HSA?

Open your HSA as soon as you are eligible to do so. That way, you can use your HSA to pay or reimburse yourself for qualified medical expenses. You cannot use your HSA to reimburse yourself for medical expenses you had before you established your account.

## What Else Do You Need to Know About an HSA?

### Eligibility rules apply.

To deposit money into an HSA, you must be enrolled in an HSA-eligible health plan. You are eligible if:

- You are covered under an eligible high-deductible health plan (HDHP).
- You are covered by no other health coverage, unless it is permissible coverage like vision or dental.
- You are not enrolled in Medicare.
- You cannot be claimed as a dependent on someone else's tax return.

Some other restrictions apply. Please consult your tax, benefits or financial advisor.

If you switch to a health plan that makes you ineligible to continue depositing money in an HSA, you may continue to use the money in your account for qualified medical expenses, but you can no longer make deposits.

### Contribution limits are determined every year by the IRS.

For 2015, you can deposit up to \$3,350 if you have individual coverage and \$6,650 if you have a family policy. In 2016, individual coverage remains at \$3,350 and the limits increase to \$6,750 for family coverage. The IRS also allows you to make an extra catch-up deposit of \$1,000 if you are 55 or older.

You can make contributions all the way up to the tax-filing deadline (usually April 15) and still get tax credit for the previous year.

### It's different from a flexible spending account (FSA).

You may have had a health care FSA in the past. With an FSA, all the money you chose to contribute

was available to help pay for eligible expenses on the first day of your plan year.

An HSA works differently. Money grows in your HSA as you (and maybe your employer) deposit money into it. You can use your debit card or online bill pay for qualified expenses only if you have enough money in the account to cover the cost.

While you are growing your HSA savings, you may pay for a qualified medical expense out of your pocket. You can reimburse yourself from your HSA later, after you have enough money in your account. Remember, though, that you can only reimburse yourself for qualified expenses you had after you establish your HSA.

### Keep your receipts.

Save all your receipts for qualified medical expenses! If the IRS asks, you must be able to prove that you used your HSA money only to pay or reimburse yourself for qualified medical expenses.

### Paying with your HSA is easy.

- Use your debit card to pay at the pharmacy, doctor's office or elsewhere. You can also order extra cards for covered family members.
- Pay your bills for qualified medical expenses online at myuhc.com®.
- Pay out of pocket and reimburse yourself. You can do that online or by withdrawing money with your debit card from any ATM with the MasterCard® logo.

## The 5 Stages of Health Saving and Spending

Good health is a journey. So is saving the money needed to pay for qualified medical expenses. We've identified five stages accountholders go through when contributing to their health savings account: Decide, Open, Use, Manage and Optimize.

DECIDE >>

OPEN >>

USE >>

MANAGE >>

OPTIMIZE



### DECIDE

Considering an HSA?



### OPEN

Opened an HSA, but haven't used it yet?



### USE

Wondering how much to contribute?



### MANAGE

Want tips for managing your HSA?



### OPTIMIZE

Ready to turn your HSA into an investment?

## Getting Started

### 1. Enroll online.

Sign up through your employer or enroll at [optumbank.com](http://optumbank.com). You can also open your HSA at [optumbank.com](http://optumbank.com). Check with your supervisor or benefits specialist to learn about your company's application process.

### 2. Start saving.

There are several ways to contribute to your account.

- Payroll deduction: If your employer allows, pre-tax dollars are taken out of your paycheck and deposited into your HSA. It's the easiest way to build your savings.
- Electronic deposits: Log in to your account and make a deposit by transferring money from another bank account.
- Check: Mail a check along with a contribution form, available online.
- Transfer or roll over funds: If you already have an HSA, you can roll over or transfer funds from that account into your Optum Bank account. Some restrictions apply. Find more information and a rollover/transfer form on our website.

### 3. Be on the lookout.

If you enroll online you may be able to choose to receive your welcome kit electronically. If you sign up through your employer you will receive your welcome kit in the mail. Within seven to 10 days your HSA Debit MasterCard® will arrive by mail in an unmarked envelope.

## Customer Service Is Here to Help

### Visit [myuhc.com](http://myuhc.com).

Manage your account, pay bills, download forms and find other helpful HSA information. Be sure to log on monthly to check your statement.

### Call us toll-free at (800) 791-9361.

Friendly, knowledgeable customer care professionals are available from 8 a.m. to 8 p.m. Eastern time, Monday through Friday. Assistance for most foreign-language speakers is also available.

Health savings accounts (HSAs) are individual accounts offered by Optum Bank<sup>SM</sup>, Member FDIC, and are subject to eligibility and restrictions, including but not limited to restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code. State taxes may apply. Fees may reduce earnings on account. This communication is not intended as legal or tax advice. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment and restrictions. Federal and state laws and regulations are subject to change.

Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Administrative services provided by United HealthCare Services, Inc. or their affiliates.

Health Plan coverage provided by or through UnitedHealthcare of Kentucky, Ltd.



## Introduce HSA to your employees

### SHOP State of Kentucky Employer



If you've looked for cost-effective health care for your employees, you're likely aware of consumer-directed health (CDH) plans. These plans typically include preventive care coverage, a deductible for other medical expenses and a tax-advantaged health savings account to help pay for out-of-pocket expenses.

A health savings account (HSA) is the fastest growing type of health savings account. The number of HSAs grew 25 percent from 2013 to 2014 and was about 13.8 million as of Dec. 31, 2014.\*

HSAs are gaining popularity because they give employers a way to manage health care spending and earn significant tax advantages, while enabling employees to plan, save and pay for health care tax free.

### Why Optum Bank<sup>SM</sup>?

Optum Bank is one of the nation's leading HSA custodians, with more than 1.5 million accounts and more than \$2 billion in HSA assets.\*\* Established in 2003, Optum Bank was a pioneer in HSAs, opening our first accounts in 2004. It's our specialized expertise in both the financial and health care arenas along with our commitment and investment in HSA service that makes us the first choice for thousands of employers of all sizes.

### Experience matters

Your local or business bank may offer HSAs along with other deposit and loan products. But what about the expertise, service and resources that only an HSA leader can deliver? Optum provides:

- Extensive expertise in both Financial Services and Health Care
- Continual product and service enhancements to ease administration for you and optimize participation for your employees
- Consultative sales and account support, including coaching in the best practices for introducing HSAs and educating employees
- Helpful customer care professionals to answer account holders' questions
- A dedicated, experienced employer service team
- Robust websites for you and your employees to manage all Optum accounts (health savings accounts, flexible spending and health reimbursement)

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### HSAs in a nutshell

A health savings account, or HSA, allows individuals to save money on a pre-tax basis to pay for current qualified medical expenses — and save up to pay for future medical expenses. The account is theirs to keep and use through changes in employment or benefits.

Optum Bank HSAs can be added to any qualified high-deductible health plan, regardless of the insurance carrier.

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### Only Optum has a Health Savings Checkup

HSA owners who use our Health Savings Checkup tool get a personalized action plan for saving more, spending less and getting healthier. Visit [healthsavingscheckup.com](http://healthsavingscheckup.com) for a preview. Optum account holders can get a more detailed Health Savings Checkup and contact a customer care professional when they log into their HSAs.

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\* Year-End 2014 Devenir Health Savings Account Survey Report, February 11, 2014, <http://www.devenir.com/health-savings-accounts-exceed-20-billion-january/>  
\*\*At Optum Bank<sup>SM</sup>, member FDIC, deposits are insured by the FDIC up to \$250,000.

## Optum Bank<sup>SM</sup> HSA

- The Optum Bank HSA has easy access to pay expenses, with competitive interest rates, modest fees and the option to invest in no-load mutual funds. As part of a bronze plan offering, the employer contribution can range from a minimum of \$0 up to a maximum of \$150 annually.

Optum Bank HSA	
<b>Monthly Maintenance Fee<sup>1</sup></b>	
\$3 for average balances less than \$5,000	
\$0 for average balances of \$5,000 or more	
Invest funds above \$2,000 <sup>2</sup> — no additional fee. <sup>3</sup>	
<b>Annual Percentage Yield<sup>4</sup></b>	
<u>If average balance is:</u>	<u>APY is:</u>
Over \$15,000	0.40%
\$5,000–\$14,999.99	0.20%
\$2,000–\$4,999.99	0.10%
\$1,000–\$1,999.99	0.05%
\$500–\$999.99	0.05%
\$0–\$499.99	0.05%

<sup>1</sup> Fees may reduce earnings on the account. Required minimum balances do not include investment funds.

<sup>2</sup> The bank account balance must remain at or exceed the investment threshold each time a new investment is made.

<sup>3</sup> Investment fee (where applicable) is only assessed after the establishment of an investment.

<sup>4</sup> Annual Percentage Yields (APY) as of April 1, 2014, subject to change at any time. Required balance to obtain APY does not include investment balances.

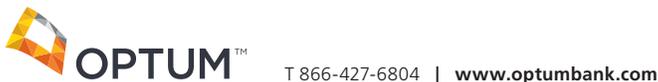
## An Optum HSA also includes:

- A best-in-class website for HSA banking, including online bill pay, electronic delivery of tax forms and the ability for an account owner to reimburse himself or herself from the account for qualified medical expenses
- The ability to pay by check, when checks are purchased
- An Optum Bank HSA Debit MasterCard<sup>®</sup> with swipe, signature and ATM capabilities
- Non-proprietary mutual fund investment choices and planning tools

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Health Plan coverage provided by or through UnitedHealthcare of Kentucky, Ltd.



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