

How does the HSA Debit Card Work?

The HSA debit card is tied to your current HSA balance. It cannot be tied to any other type of account. HSA debit card use is restricted to merchants who accept the card. If you make purchases for non-qualified medical expenses, you will be subject to taxes and penalties. You cannot use your HSA debit card at an ATM to get a cash advance, therefore no PIN is issued.

How Can I Keep Track of My HSA Balance?

You will receive monthly statements detailing your account activity. It is the HSA owner's responsibility to keep track of the total contribution and to not exceed the annual limit.



This brochure is intended to provide general information concerning Health Savings Accounts. It is not intended to provide legal advice or to be a detailed explanation of the rules or how the rules may apply to your individual circumstances or under Maine state laws. For specific information, you are encouraged to consult your tax or legal professional, IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans. The instruction to IRS Form 8889, and the IRS's website, www.irs.gov, may also provide helpful information.



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Health Savings Account

An HSA is a tax-advantaged savings account that can help you pay for medical expenses.



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Partners Bank is Pleased to Offer Health Savings Accounts

What is a Health Savings Account?

A Health Savings Account (HSA) is a tax-exempt trust or custodial account established exclusively for the purpose of paying or reimbursing qualified medical expenses for yourself, your spouse, and your dependents.

Am I Eligible for an HSA?

You are eligible for a regular HSA contribution if, with respect to any month, you:

- Are covered under a high-deductible health plan (HDHP) on the first day of that month;
- Are not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage);
- Are not enrolled in Medicare; and
- Cannot be claimed as a dependent on another individual's tax return.

What is an HDHP?

An HDHP is a plan with an annual deductible no less than the annual respective amounts for self-only and family coverage.*

Are There Other Requirements for the HDHP?

Yes. For HSA purposes, the HDHP must limit out-of-pocket expenses to no more than the respective amounts for self-only and family coverage.*

*Amounts for self-only and family coverage subject to annual cost-of-living adjustments. Additionally, amounts can vary year-to-year. Please check with your local Partners Bank branch for more information.

What are the HSA Owner's Responsibilities?

If you are eligible, you can establish an HSA in much the same way you would establish an IRA – with a qualified trustee or custodian. Each year, you are responsible for determining your allowable annual HSA contribution and whether you have qualified medical expenses eligible for reimbursement with nontaxable HSA distributions.

What Can Contribute to My HSA?

If you meet the eligibility requirements for an HSA, you, your employer, your family members, and any other person (including non-individuals) may contribute to your HSA. This is true whether you are self-employed or unemployed.

How Much Can I Contribute to My HSA?

The maximum annual contribution amount is a standard limit set from year-to-year.

Additionally, a "catch-up" contribution is available for eligible individuals who are age 55 and older by the end of their taxable year and are not enrolled in Medicare.** Unused funds and interest are carried over, without limit, from year-to-year.



**Amounts are based on a standard limit for self-only and family coverage, as well as a limit based on catch-up contribution. All are subject to annual cost-of-living adjustments. Additionally, amounts can vary year-to-year. Please check with your local Partners Bank branch for more information.



Can I Return A Mistaken Distribution?

If you mistakenly distribute assets from your HSA, you may be able to return the assets to the same HSA. However, the law does not require a financial organization to accept the return of a mistaken distribution. You should be prepared to provide the Internal Revenue Service (IRS) with clear and convincing evidence that the HSA distribution was result of a mistake of fact due to reasonable cause. A mistaken distribution can be returned no later than April 15, following the first year you knew, or should have known, the distribution was a mistake. Partners Bank reserves the right to disallow a return of mistaken distribution.

How is HSA Activity Reported?

Partners Bank will report all HSA contributions to the IRS on IRS form 5498-SA. Partners Bank will report all HSA distributions on IRS form 1099-SA. In addition, you file IRS 8889, Health Savings Accounts (HSAs), as part of your federal income tax return.

How Do I Access My HSA Funds?

Once you've made contributions to your account, you can use your HSA checks or HSA debit card to access your HSA dollars to pay for qualified medical expenses. Whenever you pay for qualified medical expenses using cash, a credit card or your personal checking account, you can withdraw funds from your HSA at any time to pay yourself back. Keep all of your receipts.