

Health Savings Account (HSA)

A Health Savings Account (HSA) is a tax-advantaged savings vehicle available to individuals covered by a High Deductible Health Plan (HDHP). Funds in the account are used to pay for qualified medical, dental and vision expenses.

An HSA is a great way to save for the future. You can set aside money from each paycheck now and save funds to cover healthcare expenses that come up later. Plus, your contributions are free from federal income tax, so you're stretching your healthcare dollars while lowering your taxable take-home pay amount.

HSA funds can only be used for yourself, your spouse and your taxable dependents. Expenses for domestic partners and/or other dependents who do not qualify as tax dependents are not reimbursable under the HSA.



Advantages of an HSA

- Balance rolls over each year and accrues interest, so you won't lose your contributions.
- Triple tax savings — you do not pay federal tax* on:
 - Contributions to the account.
 - Spending on qualified expenses.
 - Interest that accrues.
- Account is portable, so the funds are yours even if you change medical plans next year or leave the company in the future.
- Use the funds for eligible medical, dental or vision expenses, including coinsurance costs, prescriptions, glasses, orthodontia and more—now or in the future.
- Money left in the savings account earns tax-free interest*.

**Tax treatment of HSAs for state tax purposes may vary by state.*

Health Savings Account (HSA)

(Continued)

2022 HSA Contributions and Limits

Each year, you can contribute up to the IRS annual limit for HSAs

	Individual	Family	
2021 IRS Annual Contribution Limits	\$3,600	\$7,200	Age 55+ Additional \$1,000
2022 IRS Annual Contribution Limits	\$3,650	\$7,300	Age 55+ Additional \$1,000

Funding and Enrolling in an HSA

To enroll in an HSA, you must enroll in the HDHP plan option. You can open an HSA account through a financial institution of your choice; however, you would have to make after-tax contributions, they would not be automatically deducted from your paycheck, and you would need to claim those contributions as a tax deduction when you file your taxes.

Once your HSA is opened, remember to designate a beneficiary for this account.

Who Can Open an HSA?

You can contribute to an HSA if you:

- Are covered under an HSA-qualified high deductible health plan (HDHP).
- Are not enrolled in Medicare^{***}, TRICARE or TRICARE for Life.
- Cannot be claimed as a dependent on someone else's tax return.
- Have not received Veterans Affairs (VA) benefits within the past 3 months
- You (or your spouse) do not contribute to a Healthcare FSA.

**** Enrollment in Medicare Part A may be retroactive by up to 6 months when you begin taking social security retirement after your Social Security Normal Retirement Age (SSNRA). This may affect your HSA eligibility.*

Other restrictions and exceptions may also apply. For more information, visit www.irs.gov/publications/p969/.

Health Savings Account (HSA)
Account Application Instructions



To open an HSA, you will need to provide the **Social Security Number** and **date of birth** for the account owner and each beneficiary. A variety of investment options are available for your HSA funds once you obtain a balance of \$1,000 in the FDIC-insured, interest-bearing account, also known as the Bank Portion of your HSA. Once eligible for the investment options, you will need to agree to the terms and conditions associated with the investment options available.

Before You Open Your Account

Before you open an account, double check your eligibility to contribute and confirm your maximum contribution limits by reviewing the information below.

To be eligible to contribute to a Health Savings Account (HSA) you must:

1. **Be** currently covered under a high deductible health plan (HDHP);
2. **Not be** 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);
3. **Not be** enrolled in Medicare; and
4. **Not be** claimed as a dependent on another person's tax return.

Contribution Limits

- For 2022, the contribution limits are \$3,650 for an eligible individual with self-only coverage and \$7,300 for an eligible individual with family coverage.
- Catch-up contributions are allowed for a participant and/or a spouse covered under the HDHP, who is enrolled in their own HSA, reaches age 55 before the end of a tax year, and is not enrolled in Medicare. Each spouse (age 55 or older) may make a catch-up contribution up to \$1,000 into their own HSA. Catch-up contributions are not subject to cost-of-living adjustments.

Other Plan Limitations

Coverage of Adult Children: While ACA allows parents to cover adult children up to age 26 on their health plans, the IRS has **not** changed its definition of a dependent for health savings account. This means medical bills of dependent children age 24 and older are **not** eligible expenses. Also, if you cannot claim a dependent on your tax return, then you cannot spend Health Savings Account funds for that dependent. The following IRS dependent rules apply:

- Has the same principal place of residence as the covered employee for more than half the taxable year
- Has not provided more than half his or her own support during taxable year
- Is not 19 (or, if a student, not yet 24) at the end of the tax year or is permanently and totally disabled

Below are a few reminders as you complete the form:

- Be sure to complete all fields
- Identify each beneficiary, providing all requested information
- Sign and date the application
- Have your spouse sign and date the form, if applicable

Health Savings Account (HSA) Application Form

Section 1: HSA Owner Information – PLEASE PRINT

To help the government fight the funding of terrorism and money laundering activities, federal law requires that we obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. This information will be verified to ensure the identity of all individuals opening an account. If you do not provide us with this information, we will not be able to open the account. If we are unable to verify your identify, we reserve the right to close your account or take other steps that we may deem advisable.

First Name	MI	Last Name	Social Security Number (Required)	
Address Line 1 – Street Address (Do not use a PO Box Address)			Telephone Number (Day)	
Address Line 2		City	State	ZIP Code
Date of Birth	Email Address		Effective Date of HSA Eligible Health Plan	

Check if address is new in the past year

Section 2: Authorization to Link Personal Bank Account

If you would like to make contributions, or want withdrawal requests to be deposited to your own personal bank account, please attach a preprinted voided check or deposit slip to this application and complete the bank information below. (Please use a paper clip.)

Bank Account Type <input type="checkbox"/> Savings <input type="checkbox"/> Checking	ABA Routing Number	Account Number	Name on Account
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Section 3: Beneficiary Designation

As the named Account Owner of the above-referenced Health Savings Account (“HSA”), I have the right to designate the beneficiary or beneficiaries to whom any funds remaining in my HSA upon my death are to be paid and, at any time and from time to time prior to my death, to revoke, alter or amend any such designation previously made. Any such designation must be on a form provided by or acceptable to the Custodian and must be filed with the Custodian prior to my death. I hereby revoke completely every such designation previously made by me and I direct that, if I die before distribution of my HSA has been completed, the value of my Account shall be distributed to the Primary Beneficiary named below.

Primary Beneficiary

Name	Address	Social Security Number	Relationship
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Contingent Beneficiary

If the person listed above as Primary Beneficiaries is not living at my death, I designate the following Secondary Beneficiary for my HSA.

Name	Address	Social Security Number	Relationship
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If no Beneficiaries are named on this form or if all the named Beneficiaries predecease me, the HSA funds will be paid to my estate. If my spouse receives the HSA as a result of being named as Beneficiary, my spouse may choose to continue the HSA in his or her name, subject to Custodian’s consent, by providing a written election to the Custodian and by signing the forms and providing the information the Custodian requires. For any non-spouse Beneficiary, the HSA terminates as of my date of death and becomes payable. I understand that in certain states, my spouse’s consent may be necessary if I wish to name a person other than or in addition to my spouse as Beneficiary, and that I should consult with my attorney before making such a Beneficiary Designation. By making the foregoing Beneficiary Designation, I represent and warrant to the Custodian that this Beneficiary Designation satisfies all legal requirements under applicable law and, on behalf of myself, the Beneficiary(ies), my heirs and my estate, I hereby indemnify and hold the Custodian harmless from and against any and all claims, damages, liabilities, and costs (including attorney’s fees) arising as a result of the Custodian’s payment of my HSA in accordance with this Beneficiary Designation. Custodian may condition payment to any Beneficiary on satisfactory proof of identity and entitlement to payment.

Spousal Consent (If Applicable)

Note: The following section should be signed in the event your state requires the consent of your spouse to the designation of a beneficiary other than such spouse with respect to the HSA. This could apply, for example, if you live in a community or marital property state and you designate someone other than or in addition to your spouse as a beneficiary. Consult your attorney or tax advisor for further information.

- I am married. I understand that if I designate a primary beneficiary other than my spouse, my spouse must consent by signing below.
- I am not married. I understand that if I marry in the future, I must complete a new Beneficiary Designation Form, which includes the spousal consent documentation.

I am the spouse of the Account Owner in whose name the Health Savings Account identified above is opened and hereby consents to and joins in the beneficiary designation(s) identified above. To the extent that I am not named as Beneficiary I relinquish any interest I may have in the funds contained in the Health Savings Account. Because of the significant consequences associated with giving up my interest in the HSA, I understand that it is my responsibility to seek tax or legal advice.

Spouse Name: _____

Signature of Spouse: _____

Date: _____

Section 4: Electronic Communication Authorization

In providing your email in the Section 1 above you are electing to receive your communications electronically. This also means that you choose to receive statements online in lieu of receiving them via mail. You also agree that we may provide you with any communications in electronic format, unless and until you withdraw your consent by going to the website and updating your profile or by contacting customer service. Your consent to receive electronic communications and transactions includes, but is not limited to:

- All legal and regulatory disclosures and communications associated with your Account
- Periodic disclosures for your Account(s)
- Notices or disclosures about a change in the terms of your Account or associated payment feature
- Updated Privacy policies and notices

We will not send you a paper copy of any Communication unless you request it or we otherwise deem it appropriate to do so. You can obtain a paper copy of an electronic Communication by printing it yourself or by requesting that we mail you a paper copy, provided that such request is made within a reasonable time after we first provided the electronic communication to you. To request a paper copy, you can contact customer service.

Section 5: Privacy Policy

We value your relationship with us, and know that respect of your privacy is a foundation of that relationship. As a commitment to this foundation, we do not disclose the information you share with us. Furthermore, we strive to safeguard this information in order to protect your right to privacy and we will continue to review our policies and practices aimed at maintaining the security and confidentiality of personal information. We collect only the information necessary to consistently deliver responsive, high quality service and to fulfill legal and regulatory requirements. The sources and types of information collected may include demographic, payroll, and banking data, Social Security or other identification, email address as well as any other additional information to process transactions, respond to inquiries, and fulfill administrative services requirements. Failure to provide requested information may limit access to the services we can provide. Access to client and customer information is strictly limited. We do not disclose any personal information obtained in the course of our relationship unless required or permitted by law, or if necessary to fulfill our contracted administrative services. Permitted disclosures include, for instance, providing information to our employees who need to know the information in order to perform administration services, and in limited situations, to unrelated third parties as permitted or required by law, for example, to protect against fraud, to protect the confidentiality or security of our business records, or to comply with applicable legal requirements. In all such situations, we stress the confidential nature of the information being shared. Information will not be distributed or shared for marketing purposes or for any other purpose outside the scope of our business requirements.

We retain records relating to the services we provide so that we are better able to assist you. In order to guard the information, we maintain physical, electronic, and procedural safeguards to secure the information and comply with federal standards. PayFlex uses security safeguards to help protect your information from loss, misuse, unauthorized access, disclosure, alteration, or destruction.

PayFlex conforms to all federal and industry regulatory requirements that pertain to the services it provides, including HIPAA/HITECH compliance. PayFlex has established appropriate technical and physical safeguards to prevent PHI from intentionally or unintentionally being used or disclosed in violation of HIPAA's requirements. Technical safeguards include limiting access to information by creating computer firewalls. Physical safeguards include locking doors or filing cabinets as necessary and limiting physical access to non-employees, for example.

In addition, PayFlex maintains rigorous employee education requirements and documented privacy policies that are used to ensure that confidential information is not disclosed.

Signature

I (the Account Owner) certify under penalties of perjury that I am a U.S. person (including a U.S. resident alien) and my Social Security Number is true, correct and complete and that this number is my respective Taxpayer Identification Number. (If you are a foreign person, use the appropriate Form W-8.) I have received, read and agree to the terms, conditions and disclosures contained in this Application and the Health Savings Custodial Account Participant Agreement. I understand I should not use my HSA for non-qualifying or non-medical purposes and that I am responsible for any IRS penalties. I further understand that I am responsible for any and all tax consequences if I submit an HSA withdrawal form or use my debit card for any non-qualifying or nonmedical transaction. I acknowledge that I am responsible for determining my eligibility to participate in this HSA, the amount and deductibility of contributions hereunder, the taxation of any distributions from this HSA, and that no tax advice has been provided to me by the Custodian. The information I have provided is true and complete.

HSA Account Owner Signature: _____

Date: _____

Contribution to Health Savings Account for 2022

First and last name: _____

Contribution Limits for 2022:	Individual	\$3,650
	Family	\$7,300
	Catch-up*	\$1,000

*Additional contributions allowed for participants who are age 55 and older)

Contribution is optional. A payroll deduction is tax-sheltered.

Deduction each pay period:

\$ _____ x 24 pay periods = **Total Contributions for 2022** \$ _____

I authorize CoastAlaska to deduct the above amount from my pay and deposit it into my PayFlex Health Savings Account.

Signed _____

Dated _____

I elect to waive my enrollment at this time.

Signed _____

Dated _____