

# THE HEALTHY WAY TO SAVE

Farmers State Bank offers a great financial tool to help you with the high cost of health care. It's called a **Health Savings Account (HSA)**, and it's a smart way to save for health related expenses. Visit with us today to discuss how a Health Savings Account will work for you!



## GREAT BENEFITS

If you have a high deductible health insurance policy and want help with day to day medical expenses like prescriptions and office visits, we may have a solution – a Health Savings Account or HSA. You own and control the money in your HSA. You decide how much to contribute and which expenses to pay from the account.

### TAX BENEFITS

An HSA is a lot like an IRA because you can set money aside in a tax-deferred manner to take care of qualified medical expenses not covered by your health insurance plan. The difference between an IRA and an HSA is that what you spend on qualified medical expenses is never taxed!

### HSA BALANCE CARRY OVER

The funds you have in your HSA do not have to be spent during the year you contribute them, but stay in your HSA and earning interest until the funds are used for medical expenses.

### INDIVIDUAL AND PORTABLE OWNERSHIP

An HSA is owned by you, not your employer. This means that if you change employers you may take your HSA with you.

### START SAVING TODAY

Visit with us today to find out how an HSA can work for you! We will even set up automatic transfers into your HSA at no cost!

## FREQUENTLY ASKED QUESTIONS

### What are the qualifications for opening a Health Savings Account?

If you

- have a high-deductible health plan (HDHP),
- are not eligible for Medicare
- are not claimed as a dependent on someone else's tax return

then you may be eligible for an HSA. Restrictions do apply so talk to us about eligibility.

### What determines if I have a High Deductible Health Plan (HDHP)?

It is a health insurance plan that has a deductible of:

- \$1,300.00 for individual coverage
- Or
- \$2,600.00 for family coverage

### How much can I contribute yearly?

For 2016:

- \$3,350.00 for an individual HDHP
- \$6,750.00 for a family HDHP
- \$1,000.00 additional contribution if you are age 55+

### How does an HSA pay for eligible medical expenses?

The funds you deposit to an HSA are kept in an account separate from your other checking or savings accounts. You can add funds to your HSA once a year, monthly, weekly, or whenever you want. When you need the funds for medical expenses there are multiple ways to withdraw the funds.

### How often can I draw funds from my HSA?

As often as you want! You are limited only by the amount in your HSA.

### What is a qualified medical expense?

Actual medical expenses including, but not limited to doctor visits, prescriptions, dental and vision care. For specifics please see IRS publication 502.

*(Continued on back panel)*



## HEALTH SAVINGS ACCOUNTS

AT FARMERS STATE BANK OF HARTLAND

### Funds Access

1. Write a check drawn on the funds you have deposited into your HSA
2. Use a no-fee debit card tied to your HSA
3. Use our free on-line bill pay service and pay directly from your HSA

### Earn Interest On Your Account

The interest rate you earn is variable and higher balances earn a higher interest rate. The interest you earn is tax-deferred.

### Costs

\$30.00 annual fee  
Cost of printed HSA checks if you choose to order them with us

### Automatic Transfers

We can arrange for transfers from another FSB account to be deposited to your FSB HSA at no charge.

### Monthly Statement

Statements are available on-line through our web-site at no charge. Images of withdrawals from your HSA are also available online.

Frequently Asked Questions *(continued from inside)*

### What if I don't use the money in my HSA?

The funds in your HSA stay in your account and continue to earn interest. Once you reach age 65 distributions not used for qualified medical expenses will be subject to income tax.

**FSB FARMERS  
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