

Health Savings Account Enrollment Materials

As part of your High Deductible Health Plan (HDHP) and your Health Savings Account (HSA) benefit, your employer has selected FlexBank Administrators as your third party HSA administrator. Your HSA is designed to help you save and pay for your health care expenses on a tax-free basis and provide you with the resources you need to answer all of your HSA questions.

Health Savings Account Application: Please complete the attached application and return it to your employer's Benefits Administrator.

Health Savings Account Contribution Form: If you are interested in contributing to your HSA on a pre-tax basis, please complete this Enrollment Form and forward to your employer's Benefits Administrator. You will receive an email deposit confirmation whenever your employer contributes to your account or a deposit has been made as a result of a payroll deduction from your paycheck through your employer.



CODE Credit Union Health Savings Account

CODE Credit Union is proud to offer you a Health Savings Account (HSA). CODE Credit Union offers you:

- ✓ A competitive rate of interest on your entire account balance of \$500 or more.
- ✓ 12-month CD rate for higher interest rate.
- ✓ Check writing convenience.
- ✓ A free debit card.
- ✓ Monthly account statements.
- ✓ On-line bill pay (\$4.95 per month) – www.CodeCU.org.

A \$5 check made out to Code Credit Union must accompany your Health Savings Account application.



FlexBank Administrators

Address: 1250 W Dorothy Lane
Suite 107
Dayton, OH 45409

Phone: 937.299.5515
Free: 888.677.8373
Email: HSA@FlexBank.net
Web: FlexBank.net

HSA Member Account Agreement and Debit/Check Order Form

FlexBank, Inc. Agreement

355 W. Monument Ave., Dayton
 415 W. National Rd., Englewood
 937-222-8971 - www.codecu.org



HSA Type Family Plan Individual

Name		Are you an existing CODE member?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Address					
City		State		Zip	
Mailing Address (If different)					
Home Phone		Cell Phone		Work Phone	
Birth Date		SSN I certify this is my correct SSN		E-mail	
Gov't issued photo ID Type		Number		State	Issue Date
				Exp. Date	
Employer					
Emergency Contact				Phone #	

I would like HSA Debit Card HSA Checks

Additional Cards - Family Plan Only *If you are requesting a debit card for a spouse or adult child please print his/her name(s)*

Check Order Information *Only fill out this section if you would like to order checks*

25 Checks per box / \$10.54 per box Number of Boxes _____

Deduct the cost of checks from my personal CODE account # _____

Personal check attached

Family Plan Only - Additional person you authorize to sign checks _____

IMPORTANT ACCOUNT OPENING INFORMATION: Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

The undersigned authorizes the credit union to investigate credit and employment history and obtain reports from consumer reporting agency(ies) on them as individuals. The Ohio law against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administer compliance with this law. Except as otherwise provided by law or other documents, the undersigned is authorized to make withdrawals from the accounts(s), provided the required number of signatures indicated above is satisfied. The undersigned personally and as, or on behalf of, the account owner(s) agree to the by-laws of the credit union, including any requirement to pay a membership or entrance fee, and agree to the terms of, this document and the following: Terms and Conditions, Electronic Funds Transfers, Substitute Checks, Common Features, Privacy, Truth in Savings and Funds Availability.

I understand that all payments and withdrawals made by a HSA debit card or check will be tracked and reported to the IRS as normal distributions on an annual basis. This account should only be used to pay for qualified medical expenses and it is my responsibility to maintain records of all activity as required by the IRS. I understand that if I request a debit card or checks for my spouse or adult child that I am authorizing him/her to make purchases and withdrawals on my behalf. In the event that I make this choice the credit union bears no responsibility for any purchase or withdrawal made by them.

By signing this form I understand that the following administrative services for my CODE Credit Union Health Savings Account ("HSA") are provided to me by FlexBank, Inc. Administrative services provided by FlexBank, Inc. include enrollment assistance, access to the toll-free tax assistance help-line to answer any questions concerning Health Savings Accounts, qualified medical expenses, or other distributions. I understand that I, and not FlexBank, Inc., am personally responsible for all aspects of my HSA. I hereby appoint and authorize FlexBank, Inc. as my designated agent to interact with CODE Credit Union as may be required in the administration of my HSA. I hereby specifically consent to and permit CODE Credit Union to provide my account number, account information and other non-public information concerning my HSA to FlexBank, Inc. and authorize CODE Credit Union to interact with FlexBank, Inc. as may be required or appropriate in the administration of my HSA. This appointment of FlexBank, Inc. as my designated agent is effective as of the date shown on this application or until revoked by me in writing. I have read and consent and agree to the terms of the FlexBank Administrative Agreement described above.

I certify under penalties of perjury that I am a U.S. person (including a U.S. resident alien).

Sign X _____

Date _____

Office Use Only		CODE HSA Account # _____	
Debit Card # _____		# Boxes Ordered _____	Starting # _____
Date Ordered _____	By _____	Date Ordered _____	By _____



HEALTH SAVINGS ACCOUNT APPLICATION

HSA ACCOUNT OWNER'S NAME AND ADDRESS			HSA CUSTODIAN'S NAME, ADDRESS AND PHONE	
			CODE CREDIT UNION 355 W. MONUMENT AVE. DAYTON, OHIO 45402	
Social Security Number	Home Phone	Business Phone	HSA Account Identification	
Date of Birth	E-mail Address		<input type="checkbox"/> Check here if this is an amendment to an existing HSA.	

CONTRIBUTION INFORMATION			
Contribution Date	Contribution Amount	Contribution For Tax Year	Contribution Type
			Select One: <input type="checkbox"/> Regular <input type="checkbox"/> Transfer <input type="checkbox"/> Rollover

DESIGNATION OF BENEFICIARY(ies)						
<p>The following individual(s) or entity shall be my primary and/or contingent beneficiary(ies). If neither primary nor contingent is indicated, the individual or entity will be deemed to be a primary beneficiary. If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the HSA. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally.</p> <p>If any primary or contingent beneficiary dies before I do, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated share of my HSA.</p>						
No.	Beneficiary's Name and Address	Date of Birth	Social Security Number	Relationship	Primary or Contingent	Share %
1.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
2.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
3.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
4.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
5.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%

SPOUSAL CONSENT	
<p>This section should be reviewed if either the trust or the residence of the HSA Account Owner is located in a community or marital property state and the HSA Account Owner is married. Due to the important tax consequences of giving up one's community property interest, individuals signing this section should consult with a competent tax or legal advisor.</p>	
<p>CURRENT MARITAL STATUS</p> <p><input type="checkbox"/> I Am Not Married – I understand that if I become married in the future, I must complete a new HSA Designation Of Beneficiary form.</p> <p><input type="checkbox"/> I Am Married – I understand that if I choose to designate a primary beneficiary other than my spouse, my spouse must sign below.</p> <p>I am the spouse of the above-named HSA Account Owner. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this HSA, I have been advised to see a tax professional.</p> <p>I hereby give the HSA Account Owner any interest I have in the funds or property deposited in this HSA and consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by the Custodian.</p>	
_____	_____
(Signature of Spouse)	(Date)
_____	_____
(Signature of Witness)	(Date)

SIGNATURES	
<p><i>Important: Please read before signing.</i></p> <p>I understand the eligibility requirements for the type of HSA deposit I am making and I state that I do qualify to make the deposit. I have received a copy of the Application, the 5305-C Plan Agreement and the Disclosure Statement. I understand that the terms and conditions which apply to this HSA are contained in this Application and the Plan Agreement. I agree to be bound by those terms and conditions.</p> <p>I assume complete responsibility for:</p> <ol style="list-style-type: none"> Determining that I am eligible for an HSA each year I make a contribution. Ensuring that all contributions I make are within the limits set forth by the tax laws. The tax consequences of any contributions (including rollover contributions) and distributions. 	
_____	_____
(HSA Account Owner)	(Date)
_____	_____
(Witness)	(Date)
_____	_____
(Authorized Signature of Custodian)	(Date)



Health Savings Account Contribution Form

Section I. Employee Information

Employer Name:		Division #:	
Employee Name:	<input type="checkbox"/> Male <input type="checkbox"/> Female	Social Security #:	
Street:	City:	State:	Zip:
Birth Date:	HDHP Effective Date:	# Pay Periods:	

Section II. Group Insurance Premium and/or HSA Contribution

Your Group Insurance plan premiums and/or Health Savings Account contributions are withheld pre-tax automatically. Your election to pay your Group Insurance premium and/or Health Savings Account contribution automatically continues each year unless revoked. You may revoke your premium election at the beginning of a plan year or during the year should you have a qualifying "life event" that permits a mid-year change.

Section III. HSA Contribution

Only employees covered by a High Deductible Health Plan (HDHP) without other first dollar medical coverage such as other traditional health insurance, VA benefits in the last 90 days, TRICARE, Medicare, general purpose FSA or HRA, etc. may contribute to a Health Savings Account (HSA).

2011 Calendar Year Maximum Contributions: Single \$3,050 Family \$6,150
2012 Calendar Year Maximum Contributions: Single \$3,100 Family \$6,250
 If 55 and older, additional annual catch up contribution is \$1,000

\$ _____ per pay

Last Month Rule

Individuals who become covered under an HSA-eligible plan in a month other than January may make the maximum HSA contribution for the year based on their coverage (single vs. family) in the last month of the year.

Change in HDHP coverage type (single vs. family)

If an individual changes coverage type mid-calendar year, he may contribute up to the greater of (a) maximum amount that may be contributed for the taxable year, based upon his actual HDHP coverage (i.e. single vs. family) for each month of the year or (b) the full HSA contribution limit for the taxable year based on the type of HDHP coverage that he had on December 1 of that year.

13-month Testing Period

If the individual makes HSA contributions under the last-month rule, and the individual does not remain HSA-eligible (for reasons other than death or disability) during the 13-month "testing period" (beginning with the December of the year for which those contributions were made and ending on the last day of the 12th month following that December), the amount which could not have been contributed except for this provision will be included in income and subject to a 10% additional tax. This 10% penalty cannot be avoided by withdrawing such amounts from the HSA, even if the withdrawal were made by April 15.

HSA-ineligible mid-calendar year

If an individual becomes covered by other first dollar coverage and/or terminates HSA-eligible coverage during a calendar year, the maximum contribution is prorated based on the number of full months they are eligible in that calendar year.

I do not wish to contribute to a Health Savings Account.

Section IV. Authorization

- These are my pre-tax elections for the Plan year. I have read and understand the description of the Plan.
- I understand that if I own an HSA, I am responsible for knowing and abiding by all of the rules and regulations.
- I understand my insurance premium election may only be changed during the Plan Year for certain "life events" such as marriage, divorce, death of a spouse or child, birth or adoption of a child, change in employment status, or termination of employment. Changes must be made within 30 days of the event.
- Health savings account changes in election may be made at any time.
- Participation in this program may reduce my future Social Security benefits.
- I authorize my employer to make automatic payroll deductions of the amounts shown above from my earnings each pay period.

Date _____

Employee Signature _____

Section V. To Be Completed By Employer

Date of 1st Payroll Deduction:

If you have questions about the Health Savings Account, please contact FlexBank at 937.299.5515 or 888.677.8373.



A Health Savings Account

A Health Savings Account (HSA) is an account into which you can deposit money to save for future medical expenses. There are certain advantages to depositing money into these accounts, including favorable tax treatment.

Who Can Have an HSA?

Any individual can contribute to an HSA if they have coverage under an HSA-qualified "high deductible health plan" (HDHP), and have no other first-dollar medical coverage (i.e. low deductible/co-pay health plan, Medicare, TRICARE, VA benefits, general purpose Flexible Spending Account or Health Reimbursement Arrangement) and cannot be claimed as a dependent on someone else's tax return. Other types of insurance like specific injury insurance or accident, disability, dental care, vision care, or long-term care insurance are permitted.

High Deductible Health Plans

You must have coverage under an HSA-qualified "high deductible health plan" (HDHP) to open and contribute to an HSA. Generally, this is health insurance that does not cover first dollar medical expenses. Federal law requires that the 2011 & 2012 health insurance deductible be at least \$1,200 for self-only coverage and \$2,400 for family coverage.

In general, the deductible must apply to all medical expenses (including prescriptions) covered by the plan. However, plans can pay for "preventive care" services on a first-dollar basis. "Preventive care" may include routine pre-natal and well-child care, child and adult immunizations, annual physicals, mammograms, etc.

FlexBank Administrators
1250 W. Dorothy Lane, Suite 107
Dayton, Ohio 45409
Phone: 937.299.5515
Fax: 937.299.7992
Free Phone: 888.677.8373

www.flexbank.net

Information About A Personal, Tax-Free Health Savings Account





A Personal Tax-Free Health Savings Account Saves You Money and is so Easy.

Contributions to your HSA

Contributions to your HSA can be made by anyone - you, your employer or a family member. However, the total contributions are limited annually. If your employer permits, you may make contributions through payroll deduction on a pre-tax basis. Or, you may contribute to your account on a post-tax basis and deduct the contributions (even if you do not itemize deductions) when completing your federal income tax return.

Contributions to the account must stop once you are enrolled in other first dollar coverage (i.e. Medicare). However, you can keep the money in your account and use it to pay for future medical expenses tax-free.

You can make a contribution to your HSA each calendar year that you are eligible. For 2011, you may contribute up to a maximum per calendar year of \$3,050/self-only coverage and \$6,150/family coverage. For 2012, the maximum contribution is \$3,100/self-only and \$6,250/family.

Individuals age 55 and older can also make additional "catch-up" contributions. The maximum catch-up contribution for 2009 and beyond is \$1,000 per calendar year.

Your *eligibility* to contribute to an HSA is generally determined by whether you have HDHP coverage on the first day of the month. Your maximum contribution for the year can be calculated two ways: (1) *the full contribution*, or (2) *the pro rated amount*. The *full contribution* amount is based upon the type of coverage you have on December 1. The *pro rated* amount is 1/12 of the maximum annual contribution for the HDHP coverage type you have times the number of months you have coverage. If your contribution is greater than the pro rated amount, and you fail to remain covered by an HDHP for the entire following year, the extra contribution above the pro rated amount is included in income and subject to an additional 10 percent tax.

You should call FlexBank at 888.677.8373 regarding contribution rules if you have a change in coverage.



2012 Maximum Contributions

- ✓ \$3,100/self-only; \$6,250/family
- ✓ \$1,000 "catch-up" for those age 55+
- ✓ Maximum contributions are per calendar year.
- ✓ All contributions count toward the calendar year maximum.

REMINDER OTC

In order for an over-the-counter medicine to be eligible, you must have a valid prescription from your doctor. Keep the prescription and the itemized receipt in your file in case of audit.

www.flexbank.net

Eligible Expenses

Acupuncture
Alcoholism / Drug Treatment
Ambulance charges
Artificial limbs
Bandages / Band-Aids
Blood sugar test kits
Body scans (MRIs)
Breast Pumps and Supplies
Chiropractic fees
Contact lenses & solutions
Co-pays
Co-insurance
Costs for physical or mental illness confinement
Crutches
Deductible expenses
Dental implants
Dental treatment
Dentures
Diabetic supplies
Eyeglasses & eye exam
Guide dog
Hearing aids & batteries
Insulin supplies
Laboratory fees
Laser eye surgery
Mastectomy related bras
Medical records charges
Occlusal guards
Orthodontic fees
Ovulation Monitor
Prescriptions
Pregnancy tests
Psychiatric care
Special communication equipment for the deaf
Speech therapy
Sterilization fees
Transportation expenses primarily for medical care
Walkers
Wheelchair
X-rays

Eligible Insurance Premiums

Health insurance premium while receiving federal or state unemployment
COBRA or state continuation premiums
Qualified long term care insurance (as indexed by calendar year and age)
Medicare premiums (once HSA owner is 65)

Dual Purpose

Requires a doctor's note or Rx w/ diagnosis stated.

Dietary supplements
Massage therapy
Vitamins
Weight loss programs

Over the Counter Medicines (OTC)

Requires a valid prescription.

Acne treatment (OTC)
Antacids (OTC)
Allergy medicines (OTC)
Cold medicines (OTC)
Laxatives (OTC)
Motion sickness (OTC)
Pain relievers (OTC)

Ineligible Expenses

Cosmetic procedures
Dental floss
Electrolysis
Eyeglasses warranty
Face creams & moisturizers
Hearing aid warranty
Imported drugs
Late fees
Marital counseling
Mouthwash
Non-prescription sunglasses
Sunglasses clips
Teeth whitening
Toiletries & cosmetics
Toothbrushes & toothpaste

Save on These Expenses



Using Your HSA

You can use the money in the account to pay for any "qualified medical expense" permitted under federal tax law. This includes most medical care and services, dental and vision care. In order to be considered an eligible expense, the date of service must be after the effective date of your high deductible health plan (HDHP) and after your HSA has been established (opened and funded). If the effective date of your HDHP is mid-month, you may use your HSA for eligible expenses with dates of service on or after the first of the following month.

You can use the money in the account to pay for medical expenses for yourself, your spouse or your dependent children. You can pay for expenses of your spouse and dependent children even if they are not covered by your HDHP.

Should you use your HSA for ineligible expenses, you must report these purchases on your tax return and pay taxes plus penalty. If you are 65 or older, you must only pay tax.



This is a partial listing of eligible expenses. For more information email HSA@FlexBank.net or call FlexBank at 888.677.8373.

www.flexbank.net

Advantages of HSAs

Security – Your high deductible insurance and HSA protect you against high or unexpected medical bills.

Affordability – In general, your health insurance premiums are lower by switching to health insurance coverage with a higher deductible.

Flexibility – You can use the funds in your account to pay for current medical expenses or save the money in your account for future needs.

Savings – You can save the money in your account for future medical expenses and grow your account through interest earnings.

Control – You make all the decisions about:

- How much money to put into the account.
- Whether to save the account for future expenses or pay current medical expenses.
- Which medical expenses to pay from the account.
- Whether to invest any of the money in the account and which investments to make (if applicable).

Portability – Accounts are completely portable, meaning you can keep your HSA even if you:

- Change jobs
- Change your medical coverage
- Become unemployed
- Move to another state
- Change your marital status

Ownership – Funds remain in the account from year to year, just like an IRA. There are no “use it or lose it” rules for HSAs.

Tax Savings – An HSA provides triple tax savings:

- (1) tax deductions when you contribute to your account;
- (2) tax-free earnings through interest/investment;
- (3) tax-free withdrawals for qualified medical expenses.

What happens to my HSA when I die?

If you are married, your spouse becomes the owner of the account and can use it as if it were their own HSA. If you are not married, the account will no longer be treated as an HSA upon your death. The account will pass to your beneficiary or become part of your estate (and be subject to any applicable taxes).

What do I need to file with my taxes?

At year-end, your custodial bank will send to you a report detailing contributions (Form 5498-SA) and distributions (Form 1099-SA). It is your responsibility to complete and file **Form 8889** and submit it along with your 1040.

What documentation must I keep for purchases?

The key to maintaining the tax-free status of your HSA is document ... document ...document! You will be required, if audited by the IRS, to produce documentation that clearly indicates you used the money in your HSA to purchase qualified expenses. The type of documentation required by the IRS must state the following:

- Who the item was purchased for (patient name)
- What service/product was provided (a description)
- Why the service/product was purchased (a diagnosis)
- Where the service/product was performed (the provider’s name)
- When the service/product was purchased (the date of service)

