

# 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.



## Day Air Health Savings Account

Day Air is proud to offer you a Health Savings Account (HSA). Day Air's straightforward solution is designed to meet your HSA needs in a way that allows you to get on with managing your healthcare dollars. Day Air's HSA offers you:

- ✓ A competitive rate of interest on your entire account balance of \$500 or more.
- ✓ Check writing convenience.
- ✓ A free Day Air debit card.
- ✓ Monthly account statements.
- ✓ 24-hour Telebanking.
- ✓ Free online account access with online BillPayer for your convenience 24 Hours a day.

***A \$5 check made out to Day Air 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 CUSTODIAL APPLICATION PACKET (FORM 2600H-C)

Please Print or Type

\_\_\_\_\_  
 CUID (Credit union will complete.)

\_\_\_\_\_  
 Account Owner's Name (First, Initial, Last)

\_\_\_\_\_  
 Account Owner's Social Security Number

\_\_\_\_\_  
 Street Address

\_\_\_\_\_  
 Account Owner's Birth Date (MM/DD/YYYY) - (required for processing)

\_\_\_\_\_  
 Mailing Address if Different from Street Address

\_\_\_\_\_  
 Account Number

\_\_\_\_\_  
 City, State, ZIP

I instruct the credit union to invest this HSA in the following investment: \_\_\_\_\_

### DESIGNATION OF BENEFICIARY (Revocable; see next page for complete instructions)

**PRIMARY Beneficiary(ies)** — % Column MUST total 100%

%	Name	Mailing Address	Relationship	Birth Date	SS #

**SECONDARY Beneficiary(ies)** — % Column MUST total 100%

%	Name	Mailing Address	Relationship	Birth Date	SS #

**TERTIARY Beneficiary(ies)** — % Column MUST total 100%

%	Name	Mailing Address	Relationship	Birth Date	SS #

### SPOUSAL CONSENT

This section should be reviewed if either the trust or residence of the account owner is located in a community or marital property state and the 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.

#### Current Marital Status

- I Am Not Married** — I understand that if I become married in the future, I must complete a new HSA Beneficiary Designation/Change form (Form 2603H).
- I Am Married** — I understand that if I choose to designate a primary beneficiary other than my spouse, my spouse must sign below.

#### Consent of Spouse

I am the spouse of the above-named 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.

I hereby give the 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.

X \_\_\_\_\_  
 Signature of Spouse Date (MM/DD/YYYY)

X \_\_\_\_\_  
 Signature of Witness Date (MM/DD/YYYY)

### ACCEPTANCE OF CUSTODIAN

(for credit union use only)

The credit union hereby establishes an HSA for the above account owner under the terms of the "Credit Union HSA Custodial Agreement."

\_\_\_\_\_  
 Credit Union Name

\_\_\_\_\_  
 Credit Union Mailing Address (include street address)

\_\_\_\_\_  
 City, State, ZIP

X \_\_\_\_\_  
 Authorized Credit Union Signature Date (MM/DD/YYYY)

Check here if this is an amendment to an existing HSA.

### ACCOUNT OWNER'S SIGNATURE

I am establishing this health savings account (HSA) exclusively for the purpose of paying or reimbursing my qualified medical expenses and those of my spouse and dependents. I represent that, unless this account is used solely to receive direct transfer or rollover contributions, I am eligible to contribute to this HSA; specifically: (1) I am covered under a high deductible health plan (HDHP), (2) I am 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), and (3) I am not enrolled in Medicare. I acknowledge receipt of the "Credit Union HSA Disclosure Statement." I also accept the terms and conditions of the "Credit Union HSA Custodial Agreement."

X \_\_\_\_\_  
 Account Owner's Signature Date (MM/DD/YYYY)

WHITE-ADMINISTRATOR COPY

CANARY-CREDIT UNION COPY

PINK-ACCOUNT OWNER COPY

Stock #26622  
 2600H-C  
 (Rev. 1/2010)



**DAYAIR**<sup>SM</sup>  
CREDIT UNION

*Service That Soars!*

## HSA Visa Check Card Order Form

I am applying for:

- HSA Visa Check Card
- HSA Visa Check Card for my spouse
- HSA Visa Check Card for my family member

### **Member Information**

Health Plan Type:

- Individual
- Family

Account Number and HSA suffix: \_\_\_\_\_

Member Name: \_\_\_\_\_

Spouse Name: \_\_\_\_\_  
(Enter spouse name if requesting a Visa Check Card for him/her)

Family Member Name: \_\_\_\_\_

Daytime Phone Number: \_\_\_\_\_

### **Authorization**

I understand that all payments made either by check or Visa Check Card 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 Visa Check Card for my spouse **and/or family member**, that I am authorizing him/her to make purchases on my behalf. In the event that I make this choice the credit union bears no responsibility for any withdrawals made by my spouse.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# Membership Card

Account # \_\_\_\_\_

**USA Patriot Act: Important information about procedures for opening a new account!** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to 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. We may also ask to see your driver's license or other identifying documents.

## Member Application and Information

Member Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 DL#: \_\_\_\_\_ DOB: \_\_\_\_\_ SSN/TIN: \_\_\_\_\_  
 Employer: \_\_\_\_\_ Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
 Occupation: \_\_\_\_\_ Work Phone: \_\_\_\_\_ Email: \_\_\_\_\_  
 Mother's maiden: \_\_\_\_\_ Eligibility for membership: \_\_\_\_\_

## Joint Owner

Joint Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 DL#: \_\_\_\_\_ DOB: \_\_\_\_\_ SSN/TIN: \_\_\_\_\_  
 Employer: \_\_\_\_\_ Occupation: \_\_\_\_\_ Home Phone: \_\_\_\_\_

## Joint Owner

Joint Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 DL#: \_\_\_\_\_ DOB: \_\_\_\_\_ SSN/TIN: \_\_\_\_\_  
 Employer: \_\_\_\_\_ Occupation: \_\_\_\_\_ Home Phone: \_\_\_\_\_

## Account Designations

Payee/Beneficiary: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Payee/Beneficiary: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

## TIN Certification and Backup Withholding Information

*By signing below, I certify, in accordance with the IRS W-9 instructions provided by the Credit Union and under penalties of perjury, that the Social Security number (SSN)/taxpayer identification number (TIN) shown is my/the correct identification number and that I am NOT, unless designated below, subject to backup withholding because I have not been notified that I am subject to backup withholding as a result of a failure to report all dividends or interest, or because the IRS has notified me that I am no longer subject to backup withholding.*

I am a US person     I am subject to backup withholdings     Exempt     I am not a US citizen or resident

## Signatures

By signing below, you certify that the information on this Account Card is complete, true, and submitted for the purpose of obtaining the accounts and services requested. You agree: (a) that the Credit Union can use credit reporting agencies or otherwise verify the information on this Account Card for the purpose of extending credit or services to you or reviewing or collecting a credit account of yours; (b) that the Credit Union can tell others about its credit experience with you and obtain information from others about your credit history and performance. If you request, the credit union will tell you the name and address of any credit reporting agency from which it received a credit report on you. By signing below, you agree to the terms of the following Agreements applicable to the Accounts and Services requested.

- Membership and Account Agreement. You acknowledge receipt of and agree to the terms and conditions of the Membership and Account Agreement, Truth-in-Savings Rate and Fee Schedule, Funds Availability Policy Disclosure, if applicable, and to any amendment the Credit Union makes from time to time which are incorporated herein.
- Electronic Funds Transfer Agreement. If an access card or Electronic Funds Transfer (EFT) Service is requested and provided, you acknowledge receipt of and agree to the terms of the Electronic Funds Transfer Agreement. The Internal Revenue Service does not require your consent to any provision of this Account Card other than the certifications required to avoid backup withholding.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date



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**FlexBank, Inc. ADMINISTRATIVE SERVICES AGREEMENT**

By signing this form I understand that the following administrative services for my Day Air 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 Day Air Credit Union as may be required in the administration of my HSA. I hereby specifically consent to and permit Day Air Credit Union to provide my account number, account information and other non-public information concerning my HSA to FlexBank, Inc. and authorize Day Air 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.

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Signature

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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 12<sup>th</sup> 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](http://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](http://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](mailto:HSA@FlexBank.net) or call FlexBank at 888.677.8373.*

[www.flexbank.net](http://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)

