

This Disclosure Statement provides a general review of the terms, conditions and exclusions of the plan. It does not constitute a contract. For more information, please refer to the plan documents. © 2019 Compliance Systems, Inc. All rights reserved.

HDHP: You must be covered under an HDHP that meets certain requirements concerning the deductible and out-of-pocket expenses.
No other coverage: You may not be covered under an insurance plan that is not an HDHP (with certain exceptions for plans providing certain limited types of coverage).
Not enrolled in Medicare: You may not be enrolled in Medicare.
Not claimed as a dependent: You may not be eligible to be claimed as a dependent on someone else's tax return.

HDHP Self-Only Coverage: Self-only coverage is an HDHP that covers only one eligible individual. For calendar year 2019, an HDHP for self-only coverage has a minimum annual deductible of \$1,350 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, excluding premiums) of \$6,750. For 2020, the minimum annual deductible is \$1,400 and the annual out-of-pocket maximum is \$6,900. These amounts are adjusted for cost-of-living.

HDHP Family Coverage: Family coverage is an HDHP that covers one eligible individual and at least one other person (even if the other person is not eligible for an HSA). For calendar year 2019, an HDHP for family coverage has a minimum annual deductible of \$2,700 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, excluding premiums) of \$13,500. In 2020, the minimum annual deductible is \$2,800 and the annual out-of-pocket maximum is \$13,800.

Note: a plan does not fail to qualify as an HDHP merely because it does not have a deductible (or has a small deductible) for preventive care.

Contributions

Who may make contributions to HSAs?

Contributions to your HSA may be made by you, your employer, or any other person. The total amount for the year from all sources may not exceed your annual contribution limit.

Are there any compensation or income requirements that affect how much may be contributed to an HSA?

No. Eligibility for an HSA does not depend on your earnings.

How must contributions be made?

Except for certain rollovers and transfers, all contributions must be made in the form of money (e.g., cash, check or money order).

What is the contribution limit for individuals whose HDHP is "self-only" coverage?

The maximum annual contribution limit for an individual with self-only coverage is \$3,500 for 2019. This amount is \$3,550 for 2020. These limits are subject to cost-of-living adjustments. If the individual is not an eligible individual for all 12 months of a year, the contribution limit may be prorated. For example, if the individual was an eligible individual for only three months of the year, the annual limit is multiplied by 3/12 to determine the prorated maximum contribution amount for that partial year. For more information about prorated contributions for partial year eligibility, please see "When is the maximum annual contribution limit not prorated for partial year eligibility?" below.

What is the contribution limit for individuals whose HDHP is family coverage?

The maximum annual contribution limit for an individual with family coverage is \$7,000 for 2019. This amount is \$7,100 for 2020. These limits are subject to cost-of-living adjustments. If the individual is not an eligible individual for all 12 months of a year, the contribution limit may be prorated. For example, if the individual was an eligible individual for only three months of the year, the annual limit is multiplied by 3/12 to determine the prorated maximum contribution amount for that partial year. For more information about prorated contributions for partial year eligibility, please see "When is the maximum annual contribution limit not prorated for partial year eligibility?" below.

Are additional contributions permitted for individuals age 55 and older?

Yes, in addition to the annual contribution limit, additional "catch up" contributions are permitted if the individual is age 55 (or older) before the close of the tax year. The additional amount is \$1,000. For more information about eligible individuals, please see "Who is an HSA eligible individual?". If the individual is not an eligible individual for all 12 months of a year, the contribution limit may be prorated. For more information about prorated contributions for partial year eligibility, please see "When is the maximum annual contribution limit not prorated for partial year eligibility?" below.

When is the maximum annual contribution limit not prorated for partial year eligibility?

An individual who is an HSA eligible individual as of the last month of a year will be treated as eligible as long as the individual remains HSA eligible for the "testing period". The "testing period" begins with the last month of the year in which the individual first becomes HSA eligible and runs for a full 12 months. For example, if an individual is HSA eligible in December 2019 that individual is treated as an HSA eligible individual for all of 2019 for purposes of HSA contribution limits if that individual remains eligible through December 31, 2020.

If the individual does not remain HSA eligible during the "testing period", the individual may be subject to tax and penalty on the amount that could not have been made but for this last month rule."

May both spouses of a married couple contribute to an HSA?

Yes, if they are both eligible for an HSA, however, special contribution limits may apply.

How do contributions to Archer Medical Savings Accounts (MSAs) affect HSA contributions?

Any contributions made to an Archer MSA reduce the contribution limit permitted to your HSA for the year.

How do qualified HSA funding distributions from Traditional and Roth IRAs affect HSA contributions?

A qualified HSA funding distribution made by the HSA Owner are taken into account in applying the annual limit for HSA contributions. A qualified HSA funding distribution is a distribution from a Traditional or Roth IRA which is contributed as a direct trustee-to-trustee transfer to an HSA. For additional information on qualified HSA funding distributions, please see "May Traditional and Roth IRAs be directly transferred to HSAs?" below.

When is the deadline for making HSA contributions?

Contributions may be made to your HSA during the tax year and up until the due date for filing your federal income tax return, not including extensions. For most people, the tax return due date is April 15.

Are carryback contributions allowed?

Yes. If you make a contribution between January 1 and April 15, tell the Trustee or Custodian which tax year the contribution is for. If you do not indicate otherwise, the Trustee or Custodian will report it to the IRS as a current year contribution (the year received).

May HSA contributions be made after age 65?

At age 65, individuals are generally entitled to enroll in Medicare. Individuals who enroll in Medicare are no longer eligible to make contributions to an HSA.

How are HSA contributions reported?

