Employer Update

January 2009

WHAT HAPPENS NEXT?

In most cases, HSA Bank will open a new HSA within 2 business days of receiving the completed enrollment materials. Your employees will receive the following materials:

Email Notification –Email to confirm that the HSA has opened (sent to accountholders who included an email address on the application).

Welcome Kit – Within two weeks of account opening, your employee will receive a welcome kit containing the employee's account number, important account information, and additional disclosure information.

Debit Cards – If the employee requested debit cards, they will arrive 8-10 business days after account opening. The employee is able to activate the card and select a PIN (Personal Identification Number) by calling 1-866-985-2273.

Checks – If the employee requested checks, the checks will arrive within 8-10 business days after account opening.

Note: Welcome kits, debit cards and checks are each sent as separate mailings.

Any questions your employees have regarding their accountholder materials can be directed to HSA Bank's Client Assistance Center, 800-357-6246, Monday through Friday, 7 am – 9 pm, CT.

GROUP ONLINE ENROLLMENT vs PAPER APPLICATIONS

Our Group Online Enrollment (GOE) tool is a convenient way to enroll your employees in an HSA without the need for a paper application. Employees submit information to HSA Bank online and within one business day their account may open. To ensure that your employees' HSAs open properly we ask that you do not send the three-page paper application for employees who enrolled via GOE.

2009 IRS LIMITS

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	Individual	**Family**
Minimum Deductible	$1,150	$2,300
Maximum Out-of-pocket	$5,800	$11,600
Contribution Limit	$3,000	$5,950

Please remind your employees that the 2008 legislative changes allow accountholders to contribute the maximum IRS limit, despite what their deductible may be. For more information on the 2008 guidance visit: http://ustreas.gov/offices/public-affairs/hsa/07IndexedAmounts.shtml.

THERE IS STILL TIME

Accountholders are able to make 2008 contributions to their HSA up until the deadline, without extensions, for filing their federal income tax return for 2008 (typically April 15). The maximum contribution limits for 2008 are $2,900 for individual coverage and $5,800 for family coverage. All contributions made in 2009 for 2008 must indicate the contribution year and be received by the following dates:

Online contributions: *April 14, 2009 (Must be submitted by 2:00 p.m., CT)*
Wire contributions: *April 15, 2009 (Must be received by 12:00 p.m., CT)*
Mailed contributions: *Received by April 15, 2009*

END OF YEAR INFORMATION

The following materials will be sent to accountholders in the coming months to assist them with filing their Federal Income Tax Return.

- **Year-end Status Report:** Provided by HSA Bank as of December 31, 2008 and mailed with accountholder statements in January 2009 and available online through internet banking. The report reflects HSA activity with HSA Bank for 2008. If the accountholder transferred or rolled over funds from another institution, any transactions with the prior institution will not be reflected in this report. This report does not need to be filed with the IRS, it is only to assist the accountholder in filing their Federal Income Tax Return.
- **IRS Form 1099-SA:** Provided by HSA Bank as of December 31, 2008 and mailed with the accountholder statements in January 2009. This form reflects distribution activity throughout 2008.
- **W-2:** Provided by the employer, this form will provide the total pre-tax contributions made to the HSA. The pre-tax contributions will include any employer contributions and employee pre-tax contributions.
- **IRS Form 5498-SA:** Completed by HSA Bank as of December 31, 2008 and mailed to the accountholder in January and sent to the IRS between April 15, 2009 and May 31, 2009. This form serves as a confirmation of the total contributions attributable to tax year 2008. Reminder: Accountholders have until April 15 to make contributions for the prior year. Those accountholders making 2008 contributions in 2009 will receive another 5498-SA in May.
- **IRS Form 8889:** Available on the IRS website (http://www.irs.gov/pub/irs-pdf/f8889.pdf). This form must be completed and attached to IRS Form 1040 when filing Federal Income Tax Return.

Important: Tax documents for accountholders who have elected to only receive e-statements will be posted to internet banking in January. The accountholder will receive an email notification when the documents are available. .

HSA Bank's Business Relations Coordinators can be reached at 866.357.5232, Monday through Friday, 7 a.m. to 7 p.m., CST.

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