

About HSAs

Frequently asked questions (FAQs) for those considering a Wells Fargo HSA

Are you considering enrolling in an HSA and want to know more about the benefits of an HSA and how it works? Review these helpful FAQs for more information. You can also call Wells Fargo HSA Customer Service at 1-866-884-7374, Monday through Friday, from 7:00 a.m. to 8:00 p.m. Central Time, or visit wellsfargo.com/hsa.

If you are a new Wells Fargo HSA accountholder, or have questions that aren't answered here, try the Getting Started with Your HSA FAQs on wellsfargo.com/hsaresources.

About HSAs

What is an HSA?

An HSA is a tax-favored account that allows the accountholder to save and pay for qualified medical expenses tax-free.¹ To open an HSA you must be in an HSA-qualified health plan. You can use funds in your HSA to pay for out-of-pocket expenses not covered by your health plan, as well as other qualified medical expenses. You own your HSA — the account and funds in it stay with you year after year, even if you change employers or health plans.

Who is eligible to open an HSA?

To open an HSA, you must be enrolled in an HSA-qualified health plan and cannot be covered by a non-HSA-qualified health plan. You also cannot be enrolled in Medicare, be a dependent on another person's tax return, or have received VA medical benefits at any time over the past three months. If you have specific questions about your eligibility for an HSA, ask your benefits administrator or call Wells Fargo HSA Customer Service.

What are the tax benefits associated with an HSA?

HSAs enjoy triple tax benefits. The money you contribute to your HSA is tax-deductible and can be used to pay for qualified medical expenses for not only yourself, but also for your spouse and tax dependents — tax-free. Interest earnings on your Federal Deposit Insurance Corporation (FDIC)-insured cash balance, plus investment² earnings if you choose to invest in your HSA, are also tax-free.

How much can I contribute to an HSA?

The maximum you can contribute annually to an HSA in 2014 is \$3,300 for individual coverage and \$6,550 for family coverage. If you are 55 or older, you can make an additional catch-up contribution. The maximum annual catch-up contribution is \$1,000.³

Benefits of a Wells Fargo HSA

Why should I choose the Wells Fargo HSA?

A Wells Fargo HSA is like an IRA for your healthcare that empowers you to prepare for and manage healthcare costs. HSAs offer triple tax benefits, including tax-free saving, growth, and spending on qualified medical expenses anytime, from

today throughout your retirement — something you can't get from other retirement accounts. HSAs complement your retirement plan, helping you prepare for the \$250,000⁴ or more you will need for retirement medical expenses. HSAs can also be used to save and pay tax-free today for your healthcare expenses — from doctor's visits to prescriptions, as well as dental and vision expenses.

What are the advantages of the Wells Fargo Visa HSA debit card?

With a swipe of your HSA debit card, you can pay for prescriptions, doctor's visits, dental expenses, and more. You can use the HSA debit card anywhere Visa debit cards are accepted. You can also use it to make withdrawals at Wells Fargo ATMs.

Can I access my HSA online and manage my account?

The *Wells Fargo Health Account Manager*SM portal makes it fast and easy for you to manage your Wells Fargo HSA anytime, online. It provides all the tools you need to:

- View detailed account activity, including your HSA debit card transactions
- Maintain your account profile
- Make a one-time or recurring contribution to your HSA (current or prior year)
- Set up investment elections and automatic transfers to investments
- View online tax documents and monthly statements — for up to seven years of statements
- Use online distributions to make one-time transfers into your Wells Fargo bank account — a great way to reimburse yourself for out-of-pocket expenses
- Order debit cards for your dependents

Together we'll go far



What investment options are available in a Wells Fargo HSA?

Wells Fargo offers a diverse array of HSA mutual fund options² to accommodate a range of investment objectives. When the FDIC-insured deposit account portion of your HSA reaches a minimum balance of \$2,000, you have the option to direct your contributions above \$2,000 into these HSA mutual funds. Visit wellsfargo.com/hsainvesting to learn more about the HSA mutual fund choices available to you.

HSA eligibility

What is an HSA-qualified health plan?

An HSA-qualified health plan is a health insurance plan with a minimum deductible of \$1,250 for self-only coverage or \$2,500 for family coverage. The annual out-of-pocket expenses, which include deductibles and copays, cannot exceed \$6,350 for self-only coverage or \$12,700 for family coverage.⁵

How do I know if my health plan is HSA-qualified?

Check with your employer or health insurance company to verify if your plan qualifies.

What happens if I change jobs or health plans?

HSAs are owned by the individual, so if you change jobs or health plans, you may keep your HSA at Wells Fargo and continue to spend HSA funds on qualified medical expenses. You may contribute to your HSA as long as you remain HSA-eligible (for example, enrolled in an HSA-qualified health plan with no disqualifying coverage).

How does FSA/HRA participation affect HSA eligibility?

Participation in general Flexible Spending Accounts (FSAs) and Health Reimbursement Accounts (HRAs) makes you ineligible for an HSA. If your spouse is enrolled in a general purpose FSA or HRA through his or her employer and that account can be used to pay for your medical expenses, that also makes you ineligible for an HSA. However, if your employer offers a “limited purpose” (limited to dental, vision, or preventive care) or “post-deductible” (pay for medical expenses after the plan deductible is met) FSA or HRA, then you may still be eligible for an HSA.

Enrolling in the Wells Fargo HSA

How do I enroll in the Wells Fargo HSA?

If your employer offers an HSA-qualified health plan, you will need to enroll in that health plan first. Then you can follow the instructions specific to your employer’s benefits enrollment process to set up your Wells Fargo HSA.⁶

If you are an individual who would like to enroll in the Wells Fargo HSA and are enrolled in an HSA-qualified health plan,⁵ go to wellsfargo.com/hsa and click **Open an HSA**. There is no fee to enroll online.

¹ All tax references are at the federal level. State taxes vary. Please consult a tax advisor.

² **INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE**

³ These are the IRS contribution limits for 2014. Individual contribution limits may be lower than IRS maximums. Individuals are responsible for monitoring their contribution limits. Consult your tax advisor with questions about how limits apply to your situation.

⁴ Individual situations may vary and not all costs may qualify for reimbursement from an HSA. Source: Anthony Webb and Natalia Zhivan, “How Much is Enough? The Distribution of Lifetime Health Care Costs,” Center for Retirement Research at Boston College (February 2010).

⁵ Limits shown are for 2014. Limits are indexed for inflation and may change annually.

⁶ Other eligibility criteria may apply. You do not need to be HSA-qualified if you are only making a rollover contribution from another HSA.

What fees apply to a Wells Fargo HSA?

There is a monthly service fee which may be paid on your behalf by your employer. If you leave your employer or your employer does not pay the fee, it will automatically be debited from your HSA each month. The monthly service fee will be waived if the combined deposit and investment account² balance in your HSA on the last day of the month is greater than or equal to \$5,000. The monthly service fee may vary based on your employer or insurance carrier relationship.

Other than your monthly service fee, most common HSA services do not have an additional fee. Your HSA includes unlimited debit card transactions, ATM withdrawals at Wells Fargo ATMs, and no loads or transaction fees for buying and selling HSA mutual funds.² Additional banking fees may apply if you choose to use optional banking services or choose other non-standard services. See the [accountholder fee schedule](#) for complete information on fees.

Using HSA funds

What are qualified medical expenses?

To help you determine whether an expense qualifies for tax-free reimbursement under your HSA, [Internal Revenue Code Section 213\(d\)](#) states that eligible expenses must be made for “medical care.” This is defined as amounts paid for the “diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body.” Visit wellsfargo.com/hsa for a more detailed list and explanation of qualified medical expenses.

Examples of common qualified medical expenses include:

- Acupuncture
- Dental treatment
- Doctor’s fees
- Hospital services
- Laboratory fees
- Prescription medicines or drugs
- Vision services
- X-rays

Can I use funds from an HSA for non-qualified medical expenses?

Yes, but you’ll be required to pay income tax and a 20% tax penalty on the amount you use for non-qualified medical expenses. (The 20% penalty doesn’t apply to distributions made after your death or disability, or after you’ve reached age 65.) Wells Fargo does not monitor whether you use your account for qualified medical expenses.