

# Aetna HealthFund<sup>®</sup> Health Savings Account



Common questions  
about the Aetna  
HealthFund Health  
Savings Account  
(HSA) ... with  
answers to help  
you understand  
how it works.

## General information

### Q: What is an HSA?\*

**A:** An HSA is a special, tax-advantaged account — meaning money goes in tax free, earns interest tax free and is not taxed when it's withdrawn to pay for qualified expenses.

- You, your employer, or even a family member may make contributions to your HSA.
- Your HSA dollars earn interest, tax free.
- At the end of the year, any money remaining in your HSA rolls over to the next year.
- You own your HSA, so you keep the funds even if you change jobs or health benefits or insurance plans.
- You can use your HSA Visa<sup>®</sup> debit card\*\* at the health care provider's office or pharmacy to pay for qualified medical expenses. For additional payment or reimbursement options, please visit <http://aetna.healthequity.com> or call Member Services at 1-866-382-3512. Or, allow the account to grow over time and use it to help pay for future health-related expenses — like long-term care insurance premiums, COBRA premiums and certain retiree expenses.

### Q: Is there an annual "cap" or maximum amount that may be contributed to my HSA?

**A:** The annual maximum contribution is \$3,000\*\*\* per individual / \$5,950 per family regardless of the HDHP deductible. These limits will be adjusted for inflation

\*HSAs are not available to HMO members in Illinois.

\*\*HSA Visa debit cards cannot be used at an ATM.

\*\*\*2009 maximums will be adjusted for cost of living in future years.

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in future years. If you do not contribute the annual maximum amount to your HSA in any year, you have until April 15th (or whenever you file your taxes, whichever is earlier) of the following year to make additional contributions up to that maximum.

You may contribute for a full year to the HSA, even if you join mid-year, provided that you continue to be eligible for HSA contributions by being enrolled in HDHP coverage for a full 12 months following the last month of the year in which the contribution was made. Failure to maintain such coverage may result in income tax and a 10 percent penalty on contributions made.

Individuals and their spouses who are age 55 and over may make an additional "catch-up" contribution of \$900 per year in 2008 (this amount increases \$100 per year until 2009 when it will be \$1,000). If you are age 65 or over and enrolled in Medicare Part A or B, your HSA may remain open, but no additional contributions can be made to the account.

### Q: Who is eligible for an HSA?

**A:** To be eligible, you must be covered by a high-deductible health plan (a deductible of at least \$1,150 for individual coverage and \$2,300 for family coverage\*\*\* — adjusted each year for cost of living). You cannot have other health insurance coverage (including coverage under a spouse's plan) that is NOT a high-deductible health plan (HDHP) or permitted insurance. You may not contribute to an HSA once you are eligible for and enrolled in Medicare.

### Q: Does a spouse need an account for his or her own "catch-up" contributions?

**A:** Yes.

### Q: What if I already have an HSA with a different custodian (bank), and I want to transfer funds to my new Aetna HealthFund<sup>®</sup> HSA with HealthEquity?

**A:** Please refer to our website at <http://aetna.healthequity.com> or call Member Services at 1-866-382-3512.

## HSA advantages

### Q: What happens to any remaining money in my HSA at the end of the year?

**A:** At the end of the year, any money remaining carries over to the next year.

### Q: Are contributions to my HSA\*\* tax deductible or not tax deductible?

**A:** If contributions to your HSA are made with pre-tax dollars (money that you contribute via salary reductions), those contributions are not considered taxable income. If contributions to your HSA are made with post-tax dollars (money that has already been subject to income tax), those contributions are tax deductible on your federal income tax return.

**Note:** Check with your employer and/or tax advisor for details about how contributions are made to the plan.

### Q: Does the money in my HSA earn interest?

**A:** Yes — your HSA can grow over time! Your funds earn interest tax free. There is no minimum balance required to earn interest.

We want you to know<sup>®</sup>





**Q: Are there investment options?**

**A:** Yes. Once your HSA balance reaches \$2,000, you will have the HSA investment service available to you. The HSA investment options available are:

- Baron Small Cap Fund
- Dodge and Cox:
  - > Income Fund
  - > International Stock Fund
- Dreyfus:
  - > Appreciation Fund
  - > Small Cap Stock Index Fund
- Fidelity:
  - > Blue Chip Value Fund
  - > Capital Appreciation Fund
- Harding Loevner Emerging Markets Fund
- Laudus International Market Masters Fund
- Royce Total Return Fund
- T. Rowe Price Equity Income Fund
- Vanguard Large Cap Index Fund

**Q: What happens to my HSA if I leave my health plan or job?**

**A:** You own your account, so you keep your HSA, even if you change health plans or jobs. We can continue to administer your HSA account if you choose. If you no longer are enrolled in an HDHP, you are not eligible to make new contributions to your HSA, but you can continue to withdraw funds for qualified expenses.

**Q: What are the survivor benefits associated with my HSA?**

**A:** Your HSA may transfer to your surviving spouse tax free. Otherwise your balance becomes part of your estate.

## Your HSA Plan

### HSA Account

- You own your HSA
- Contribute tax free
- You choose how and when to use your dollars
- Roll it over each year and let it grow
- Earns interest, tax free

#### Today

- Use for qualified expenses with tax-free dollars

#### Future

- Plan for future and retiree health-related costs

### High Deductible Health Plan

- Eligible in-network preventive care services may not be subject to the deductible; however, a copay or coinsurance may be charged
- You pay 100% until deductible is met, then only pay a share of the cost
- Meet out-of-pocket maximum, then plan pays 100%

## Setting up your HSA

### Q: Who can contribute to my HSA?

**A:** You, your employer or even a family member — or any combination — may make contributions to your HSA, up to the annual contribution limit.

### Q: How do I contribute to my HSA?

**A:** You may contribute to your account through payroll deductions (if available), authorizing funds to be deducted from your designated bank account through electronic funds transfer (EFT), or by making a lump sum contribution at any time, in any amount up to the maximum limit. Depending on your plan design, your contributions may be made before taxes are taken from your paycheck. If not, you can claim your total amount contributed for the year as a tax deduction when you file your income taxes. You receive tax advantages in any case. You have until April 15 of the following year to make HSA contributions for the current year.

### Q: When will contributions to my account be available for withdrawal?

**A:** HSA contributions will be available for withdrawal when funds are deposited. HSA contributions made by payroll deduction generally are prorated over the course of the plan year based on payroll schedules. HSA contributions may also be made on a lump sum basis at any time during the plan year. The availability of funds is dependent upon how funds are contributed (payroll deduction or periodic, lump sum contributions) and varies by individual.

### Q: How do I withdraw money from my HSA?

**A:** Once you've made contributions to your account, you can then use your HSA Visa debit card to get instant access to your HSA dollars to pay for qualified out-of-pocket expenses quickly and easily. Use your HSA Visa debit card, not your cash. The amount available for withdrawal at any time is equal to the available funds at the time of the withdrawal.

## Using your HSA

### Q: How does the Aetna HealthFund HSA work?

**A:** To understand how the HSA works, let's review its components.

#### The Health Savings Account

- Start by making a contribution. There is no minimum amount required, but there is an annual maximum.
- When you have a qualified expense (e.g., doctor visit, prescription refill), you may withdraw money from your HSA, tax free, to be reimbursed for this out-of-pocket expense, including what you pay toward the deductible. Or, when you have a claim, you can choose to pay from other funds and allow your HSA to grow over time and use it for future health-related expenses.
- Any unused HSA dollars roll over year after year.
- You own your HSA, so you keep it even if you change health plans or jobs.
- Fund the HSA every year. Your contribution is tax free, and this will help you build a larger savings for future health care expenses.

#### The Medical and Prescription Drug Plan

You can seek care from any licensed health care professional or hospital for covered services — without a referral.

- **Preventive Care.** The plan generally includes preventive care coverage (for routine physicals, immunizations and screenings) — typically paid at a copay or coinsurance amount, not subject to the deductible — to encourage you to receive these important services.
- **The Deductible.** The medical plan includes an annual deductible — the amount you pay out of pocket for the year before the medical coverage begins payment for qualified expenses.

- **Medical Coverage.** When the deductible is met, the medical coverage (usually with a percentage copayment) begins to pay for covered expenses. The medical plan also includes an annual out-of-pocket maximum to limit the amount you pay out of pocket in a given year — meaning once you reach the maximum, the plan pays 100 percent of your covered medical expenses for the remainder of the year.
- **Prescription Drug Coverage.** When you fill a prescription, you will pay the cost of the prescription until the deductible medical plan's has been met. With Aetna participating pharmacies, your prescription drug price may be lower because we have negotiated pricing on behalf of our members. Once the medical plan's deductible has been met, you may pay either a copayment or coinsurance for each prescription you fill that is covered under your plan. Refer to your benefits summary for additional details.

### Q: What online resources are available to help me use my HSA?

- A:** When you enroll in the Aetna HealthFund HSA with an Aetna HDHP, you get access to a suite of online resources.
- **Aetna Navigator® member website:** Your personalized, self-service website is packed with health and benefits information. When you register, you can order ID cards, check eligibility or claim status, compare area hospitals, estimate the cost of a prescription, gather health information and much more.

- **DocFind® online directory:** You can check this list for participating doctors, hospitals and other health care professionals. DocFind also includes important credentials like education, board certification and languages spoken.
- **The Aetna HealthEquity member website** allows you to:
  - > Manage your account information
  - > See real-time balances
  - > Reimburse yourself
  - > Make payments from your account directly to the provider
  - > Schedule one or more payments in advance
  - > Set up electronic funds transfers

**Q: What expenses can I pay for with my HSA?**

**A:** Your HSA can be used to pay for “qualified medical expenses,” as defined by IRS Code 213(d). These expenses include, but are not limited to, medical plan deductibles, diagnostic services covered by your plan, over-the-counter drugs, LASIK surgery and some nursing services. You can also use HSA dollars for COBRA premiums and health premiums if you are unemployed.

When you become age 65, you can use the account to purchase any health insurance other than a Medigap policy.

For additional information about IRS-allowable expenses, you can review a list of allowable expenses on Aetna Navigator or request a copy of IRS Publication 502 by calling **1-800-829-3676**, or visiting the IRS website at **www.irs.gov** and clicking on “Forms and Publications.”

**Q: Can I use my HSA to pay for non-health-related expenses?**

**A:** Yes. You may withdraw money from your HSA for items other than qualified medical expenses, but it will be subject to income tax and an additional 10 percent penalty tax on the amount withdrawn (unless you are age 65 or disabled).

You should keep receipts for your HSA purchases to show that you used your HSA funds for qualified expenses. If you are audited by the IRS and your HSA expenses are questioned, your receipts provide the best proof. Remember, under HSA regulations, you are responsible for determining which expenses are considered “qualified expenses.” Please consult your tax advisor for guidance.

**Q: How can I keep track of my HSA balance?**

**A:** You can track your HSA account activity online anytime — day or night — by visiting **http://aetna.healthequity.com**.

The HSA Visa® debit card administration support and investment services are provided by HealthEquity Inc. HSA funds in investment are not FDIC insured and are subject to loss. You may receive communications that reference the HealthEquity name, where appropriate.

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Aetna receives rebates from drug manufacturers that may be taken into account in determining Aetna’s Preferred Drug List. Rebates do not reduce the amount a member pays the pharmacy for covered prescriptions.

Information is believed to be accurate as of the production date; however, it is subject to change. For more information about Aetna plans, refer to **www.aetna.com**.

**Policy forms issued in OK include:** HMO/OK COC-4 09/02, HMO/OK GA-3 11/01, HMO OK POS RIDER 08/07, GR-23 and/or GR-29/GR-29N.