

QuickStart Guide

Your Health Savings Account

Includes:

- ▶ Your HSA: The Essentials
- ▶ Managing Your Account
- ▶ Using Your HSA Dollars

Welcome to saving smart. Welcome to WageWorks.

Your HSA program is sponsored by your employer and brought to you by WageWorks — the nation's leading provider of consumer-directed savings and spending accounts.

Register for an online account now!

If you haven't registered online yet, please do so today — to register, just visit www.wageworks.com and click "Register with WageWorks now!" You'll need to verify your retiree status by answering a few simple questions, confirm your contact information, and create a user name and password.

Questions? Ask us.

If you have any questions or concerns, you can talk to a trained expert to learn more about the program. Just call 877-WageWorks (877-924-3967) Monday through Friday, from 8 a.m. to 8 p.m. Eastern Time.

www.wageworks.com

Welcome to WageWorks.

Start Saving. Here's How.

Congratulations on choosing the health savings account (HSA) program.

You've made a smart decision to combine your high-deductible health plan (HDHP) with an HSA. You'll enjoy the benefits of tax-advantaged contributions, tax-free withdrawals and even the potential for tax-free interest and investment earnings – all while taking care of eligible health care expenses for yourself and your family.

Ready to get started?

This quick-reference guide will give you the information you need to use your HSA to pay for eligible expenses and keep track of your account balance and payments.

Your HSA: The Essentials

Your HSA is designed as a hassle-free way for you to save on health care costs, both now and in the future. To keep it that way, it's important to comply with the IRS regulations that govern the program. The following guidelines will help you avoid any inconvenience.

- ▶ **Make sure account funds are only spent on expenses for those who are eligible.** Typically, those eligible are you, your spouse and your eligible dependents.
- ▶ **Know what expenses are eligible.** Log onto www.wageworks.com for a list of your eligible health care expenses. Generally, eligible health care expenses include services and products that are medically necessary to treat a specific condition.
- ▶ **Get a prescription from your doctor.** Starting January 1, 2011, you will need a doctor's prescription to use your account for over-the-counter medicines. Because of the prescription requirement, it may be easier to use something other than your WageWorks Health Care Card for these items and then use the Pay Me feature to reimburse yourself for the expense. Remember to save the prescription along with the receipt for tax purposes. Go to www.wageworks.com/healthcarereform to learn more.
- ▶ **Separate your purchases.** Pay for eligible health care items with your WageWorks Health Care Card and use another form of payment for ineligible purchases in the same place (such as magazines or snacks).
- ▶ **Keep an eye on your HSA account.** Log onto your account at www.wageworks.com to monitor your activity, transactions and balance. Remember, the IRS limits the amount you can contribute to an HSA, so be sure to keep track of your contributions to avoid paying taxes and penalties on any excess amount. Visit www.wageworks.com/hsa/limits to view the maximum allowable contributions for your plan year and situation. Also, because you are 55 or older and not enrolled in Medicare, you can make an additional contribution of up to \$1,000.
- ▶ **Register for an online account at www.wageworks.com.** When you register online and provide a current email, you ensure that you will have 24-7 access to your account and funds. You'll also receive important email updates like account activity notifications.



Managing Your Account

You can manage and check up on your account through WageWorks any way you choose: through your online account or over the phone. For the latest information, visit www.wageworks.com and log in to your account 24/7. In addition to reviewing your most recent HSA activity, you can:

- ▶ Update your account preferences and personal information.
- ▶ Access your HSA custodian bank account.
- ▶ Schedule payments to health care providers.
- ▶ Check the complete list of eligible expenses for your HSA program.
- ▶ Order additional WageWorks Health Care Cards for your family.

Using Your HSA Dollars

When you pay for an eligible health care expense, you want to put your HSA account to work right away. WageWorks gives you several options to use your money the way you choose: on the spot with your WageWorks Card, directly through online payments to your provider, or via a request to pay yourself by direct deposit or check.

Using your WageWorks Card

Your WageWorks Health Care Card is the easiest way to pay for eligible health care expenses – in seconds. It draws directly from your HSA account and works with qualified merchants that provide eligible health care goods and services. Here are some tips to make your WageWorks Card transactions go smoothly:

- ▶ When you swipe your Card at the checkout, choose “credit” (even though it isn’t a credit card).
- ▶ Use your card at your doctor, dentist, vision center, pharmacy, or other qualified merchants.*
- ▶ Pay for services or purchases on the same day you receive them.
- ▶ Remember to save all itemized receipts for your tax records in case they are required for verification.

WageWorks Provides Two Ways to Use the Pay Me Feature

You can also use your own HSA account to make a payment to yourself for the cost of an eligible expense – to an account of your choice – with no need to fill out paper forms. It’s quick, easy, secure, and available online at any time.

- ▶ Use Pay Me Reimbursement when you want to pay yourself back for a specific expense – this makes tracking your HSA expenses clearer and easier.
- ▶ Use Pay Me Withdrawal when you need funds from your HSA account but those funds are not tied to any specific eligible expense. Make sure that you maintain records of what the funds were spent on as you will need this detail for your annual tax filing.

To Pay Yourself

- ▶ Log in to your HSA account.
- ▶ Choose “Pay My Provider/Pay Me” from the menu. Then select “Pay Me” and follow the instructions.
- ▶ The amount will be directly deposited into an account of your choice or a check will be sent to you.
- ▶ Make certain that your expenses are eligible or – your withdrawal may be subjected to taxes and penalties.

Paying Online

You can pay many of your eligible health care expenses directly from your HSA account, with no need to fill out paper forms. It’s quick, easy, secure, and available online at any time. To pay a provider:

- ▶ Log in to your HSA account at www.wageworks.com.
- ▶ Click the Health Care tab.
- ▶ Request “Pay My Provider/Pay Me” from the menu. Select “Pay My Provider” and follow the instructions.
- ▶ You’ll need to include the provider’s full name, mailing address and phone number.
- ▶ Then, just scan and upload the bill, receipt or invoice.
- ▶ When you’re done, WageWorks will send a check directly from your account. If you pay for eligible recurring expenses, follow the online instructions to set up automatic payments.

Spending, Savings and Investments

The great thing about having an HSA is the flexibility it gives you to either save or spend as the situation demands.

You control how your money is used through the ‘Spend It – Save It’ feature on the Health Care dashboard.

- ▶ If you select ‘Spend It’ then your funds will be readily available for you to spend on eligible expenses (for your convenience, this is the default setting).
- ▶ If you select ‘Save It’, the funds in your HSA will not be available on the Card, for Pay Me Back claims or for Pay Me – Reimbursement Requests.

If you are interested in saving for the future, then you probably will want to place some or all of your HSA funds into an investment account. When placed in the investment account, your funds will earn interest, and can be invested in a choice of mutual funds. If at any time you need to transfer funds back into the HSA account to spend on eligible expenses, you may do so at your convenience.

Tax Documentation

Your HSA custodian bank will provide you with your HSA tax related documentation. A Form 5498-SA will be sent to you and will report the total contributions deposited to the account. Form 1099-SA will also be sent to you and will report the total distributions from the account.

* Beginning 2011, some retailers may no longer accept the card as payment for certain over-the-counter medicines as documentation from a doctor must accompany the purchase.