



Congratulations on opening a
Health Savings Account!



*Let us help you manage your account
easily, efficiently and securely.*



IMPORTANT!

In order for us to comply with federal regulations, you must complete and return the **HSA Signature Card** and beneficiary election form that is enclosed with your welcome letter. Please review the information, make any necessary additions or corrections, sign it where indicated, and **return the form** to The Bancorp Bank, the custodian of your HSA, in the provided postage-paid envelope **within 10 business days** of receiving it.

Thanks for your prompt attention!

Inside this Welcome Kit, you will find information on:

page 5..... What to Expect

- Welcome to the Benefits of an HSA
- What You Will Receive in the Mail for Your New Account

page 8..... How Your HSA Works

page 11 Managing Your Account Online

- User ID and Password for Account Access
- Account Activity
- Alerts, Categories, Reports and Downloads
- Online Statements
- Online Bill Payment
- Online Funds Transfer

page 14..... Making Contributions

- Direct Deposit
- Funds Transfer
- Wire Transfer
- Check or Money Order

page 16..... Accessing Your Funds

- Debit Card and ATM
- Online Bill Payment
- Checks
- Reimbursing Yourself

page 18..... Maximizing Your Funds

- Annual Contribution Limits

page 20..... HSA Resources Available Online

page 22..... How to Contact Us



Welcome!

Congratulations on making the most of your High Deductible Health Plan (HDHP) by opening a tax-advantaged Health Savings Account (HSA) – a powerful, secure tool that is easy and convenient to use.

Your HSA allows you to save money tax-free and use the funds for qualified medical expenses for you, your spouse and your dependents. Any money you contribute but do not use will automatically roll over from year to year and continue to earn interest tax-free.

This Welcome Kit will introduce you to **how your HSA works, how to access your account online, ways to contribute and use your HSA funds, the benefits of maximizing your contributions, and useful online banking tools and HSA resources.**

It is a supplement to the following information, which you will receive by mail within five to ten business days of account opening:

- **Welcome letter**, which includes your **account number**, your **user ID** for online account access, your **HSA Signature Card**, a **deposit slip**, our **Terms and Conditions** (including our Schedule of Fees) and our **privacy notice**
- **Visa® Debit Card**
- **Personal Identification Number (PIN)** for your debit card (it may arrive before the card itself)
- **Password** for online account access*

** If we received your email address at the time of application, your password will be emailed, rather than mailed, to you.*



HSA = Health Savings Account

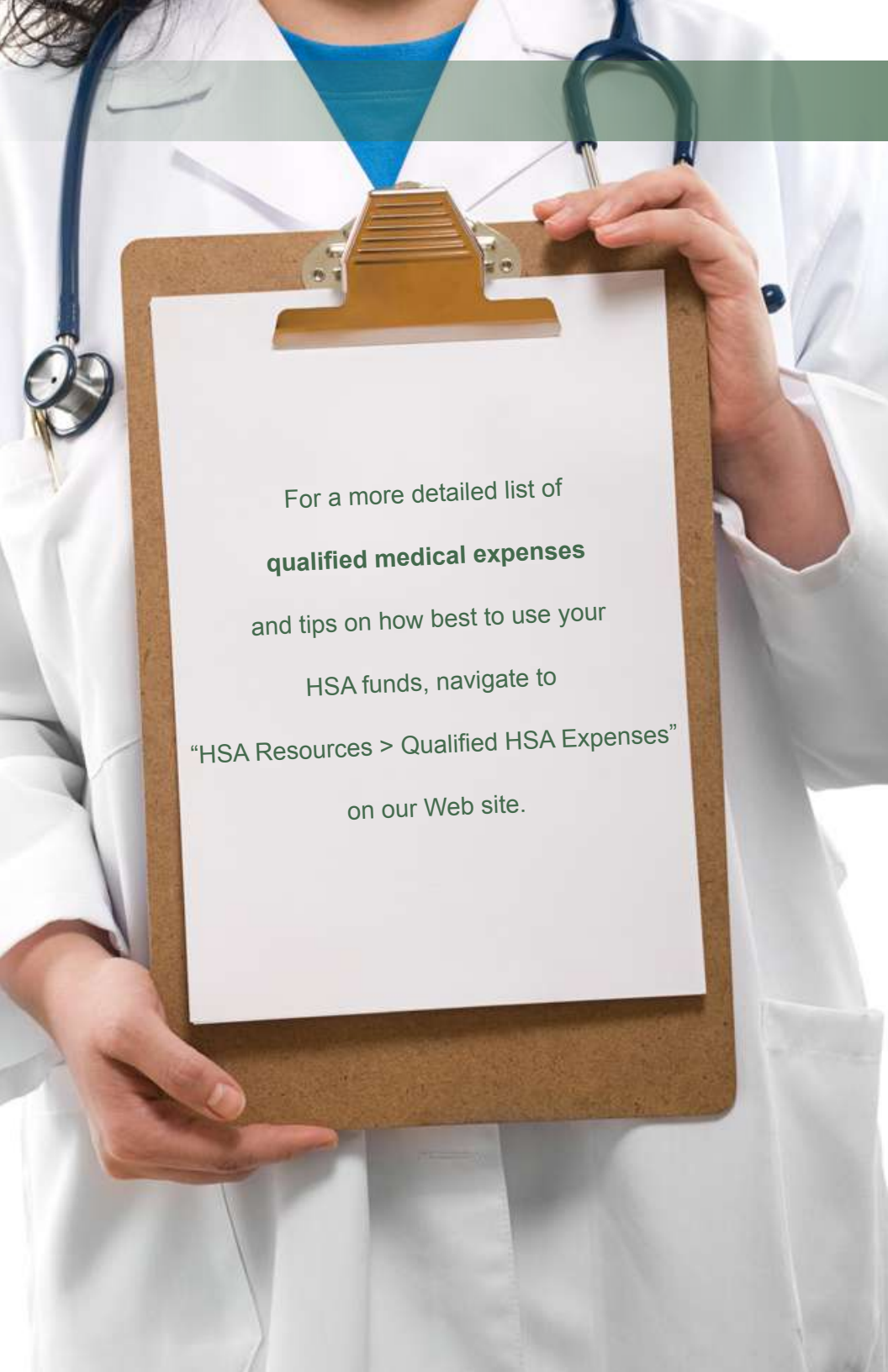
HDHP = High Deductible Health Plan

HSAs are tax-advantaged medical savings accounts available to those enrolled in qualified HDHPs.

*Things you
may not
know about
your HSA...*

- ✓ Save money tax-free, whether or not you itemize your taxes.
- ✓ Use HSA funds to pay for qualified out-of-pocket medical expenses – including bills not covered by insurance, such as vision and dental expenses – for you, your spouse and your dependents.
- ✓ Start contributing to your HSA the day your healthcare plan becomes effective.
- ✓ Contribute funds to your account electronically or by check. *Simple!*
- ✓ Make payments several ways – swipe your debit card, use online tools, etc. *Easy!*
- ✓ Keep what's yours. Any unused HSA funds roll over and accumulate year to year.
- ✓ Protect what's yours. Your HSA with us is FDIC-insured.



A close-up photograph of a medical professional, likely a doctor, wearing a white lab coat and a blue stethoscope. The doctor is holding a large wooden clipboard with both hands. A white sheet of paper is clipped to the top of the clipboard. The paper contains text in a dark green font. The background is a solid light green color.

For a more detailed list of
qualified medical expenses
and tips on how best to use your
HSA funds, navigate to
“HSA Resources > Qualified HSA Expenses”
on our Web site.

How Your HSA Works

Your HSA allows you to **be in charge** of your healthcare spending.

Here's what you can do with your HSA (all tax-free!):

- Pay for qualified medical expenses
- Save for future medical expenses
- Save towards retirement*
- Earn interest or invest your money in mutual funds**

** Once you turn age 65, you may also use the funds in your account to pay for things other than medical expenses. For details, visit the "HSA Resources > HSA Basics" section of our Web site.*

*** For details about investment options, go to our home page and click on "Investment Account Information" in the left panel.*

Make tax-free withdrawals (also called "distributions") from your HSA at any time to pay for qualified medical expenses for:

☒ **YOU** ☒ **YOUR SPOUSE** ☒ **YOUR DEPENDENTS**

Use your HSA funds to pay for qualified medical expenses until you meet your deductible, and for qualified medical expenses not covered by your healthcare plan. Use your account to pay for:

- Medical bills
- Doctor visits
- Prescriptions
- Laboratory fees
- Pharmacy items
- Bills not covered by insurance, such as vision, dental, chiropractic, acupuncture and psychiatric care expenses
- Co-pays, co-insurance and out-of-network charges
- And more!

You also may **reimburse yourself** for qualified medical expenses you pay out-of-pocket. Please note, however, that you must have been enrolled in your HSA and HDHP at the time the expense was incurred, in order to reimburse yourself from the account.

Any funds remaining in your HSA will roll over from year to year.



Managing Your HSA Online

You are in control. You have access to your account 24 hours a day, 7 days a week on our Web site.

Account Access

Log in with your **user ID**, which is provided in your welcome letter, and your **password**, which we will send you by email or U.S. mail (if we do not yet have your email address).

For details about logging in and the features of our Web site, refer to the “Getting Online Guide,” available on our home page.

What’s Available After You Log In

The **benefits of using your online account** are many. Here are just a few. **Log in**, **navigate to “My Accounts,”** and explore our site!

> Up-to-Date Account Activity

View your current balance, your transaction history (including deposits, debit card transactions, cleared checks and ATM withdrawals), summaries of your HSA contributions and distributions, and more.

> Alerts, Categories, Reports and Downloads

- Sign up to receive emails or text messages when a check has been processed, a deposit has been made, or your balance is above or below a certain amount (“Manage Alerts”).
- Create your own categories to monitor deposits and expenses (“Manage Banking Categories”).
- Create and customize reports just the way you need them (“Create a Banking Report”).
- Download your HSA transactions to Quicken® and other software (“Download Banking Transactions”).



Security of your account information is one of our top priorities. During your first login session, you will be asked to secure your account for ongoing access. You will be prompted to select a new password (please keep this information in a safe place; you will need it to access your account in the future).

Only YOU should have access to your account.

> Online Statements

Simplify your life! One of the benefits of online banking is the opportunity to receive your bank statements electronically. By signing up for online statements, you will enjoy **free**, secure and convenient access to your statements.

You may sign up by navigating to “My Accounts > Statements.” Additional details are available at “Managing Your HSA > Frequently Asked Questions > Online Statements.”

Note: If you choose not to enroll in online statements, you will receive mailed paper statements and may incur a monthly paper statement fee. Refer to our Schedule of Fees for details.

> Online Bill Payment

Pay your healthcare bills virtually any time of the day or night with a single, simple-to-use site. Navigate to “My Accounts > Make Payments” to get started.

> Online Contributions

With our **Funds Transfer** service, you can transfer money to your HSA electronically, making sure you have what you need to cover your current healthcare expenses and to save for future expenses. To set up your account, go to “My Accounts > Funds Transfer > Manage External Accounts.”



Making Contributions

Contributions to your HSA are **not subject to income tax**, and contributing to your account is easy.

The following are the basics on how to contribute funds to your HSA. For more details, visit the “Managing Your HSA > Making Deposits” section of our Web site.

Contributions to your HSA **may be made by:**

✓ **YOU** ✓ **YOUR EMPLOYER** ✓ **ANYONE**

Contributions to your HSA may be made by **several methods**, including:

- Direct Deposit
- Funds Transfer
- Wire Transfer
- Check or Money Order

Direct Deposit

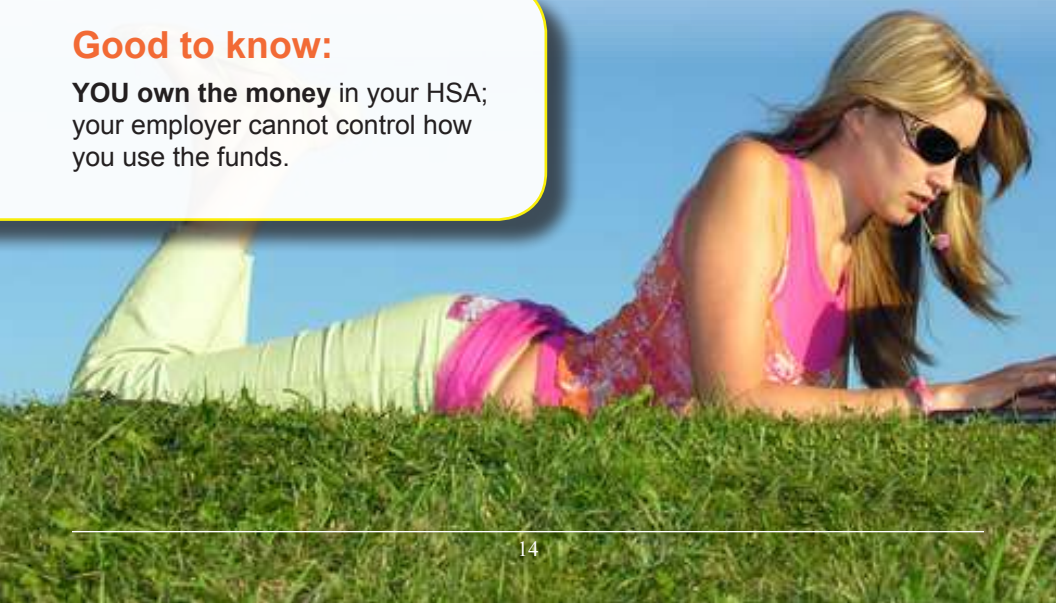
Direct deposit is a **safe and convenient** way to make contributions. If your payroll processor allows HSA contributions to be made by direct deposit, provide your employer (or other entity that will be sending funds to your account) with a completed Direct Deposit authorization form, which is available on our Web site under “Managing Your HSA > Forms.”

Use the following details for direct deposits:

- **Bank Name:** The Bancorp Bank
- **Our ABA Routing Number:** 031101114

Good to know:

YOU own the money in your HSA; your employer cannot control how you use the funds.



Funds Transfer

With our online Funds Transfer service, you can easily transfer money to your HSA from an account at another financial institution or from your credit card. Make one deposit at a time, or set up a **recurring schedule to help reach your savings goal!** To get started, log in to your account and navigate to “My Accounts > Funds Transfer > Manage External Accounts.”

Wire Transfer

Wire transfers are the safest and **fastest** way to make contributions of large sums. The funds are available as soon as the transfer is complete. Incoming wire transfers to your account are free. Wire Transfer Request forms are available on our site under “Managing Your HSA > Forms.”

Use the following details for wire transfers:

- **Bank Name:** The Bancorp Bank
- **Our ABA Routing Number:** 031101114


Check or Money Order

You may always make contributions by sending us a check or money order.

Mail your check or money order, along with a deposit slip (one is enclosed with your welcome letter; they also are available on our site under “Managing Your HSA > Forms”), to:

The Bancorp Bank
Attn: HSA Deposit Operations
P.O. Box 15329
Wilmington, DE 19885-5329

Note: Please do not send cash through the mail, as we cannot guarantee its safe arrival.



Deposits are subject to the bank's Funds Availability policy. For more information, navigate to “Disclosures and Privacy Practices > Disclosures > Funds Availability” on our Web site.

Accessing Your HSA Funds

It's easy to access your HSA funds to pay for qualified medical expenses: use your HSA **debit card**, our **online bill payment** tool or your HSA **checks**.

Debit Card and ATM

Your HSA debit card provides an **easy, convenient and secure** way to pay for healthcare expenses. Simply swipe it at the time of service, and you're done!

You also may give your debit card number to medical providers on their paper bill, over the phone or online to pay for services.

In addition, HSA debit cards may be used to withdraw funds from ATMs, if you prefer to pay for qualified medical expenses in cash.

To activate your debit card (it will be inactive when it arrives), simply call the toll-free phone number provided on the activation sticker. **To change your PIN** at any time, call Customer Service and follow the instructions when prompted.



Online Bill Payment

Online bill payment is a **completely electronic** way to pay your healthcare bills. Register for this easy-to-navigate, time-saving, secure and **free** tool by logging in to your account and navigating to “My Accounts > Make Payments.” (If the recipient does not accept electronic transfers, our bill payment system will print out and mail a check for you.)

Checks

You also may write checks from your HSA and pay bills the **conventional** way. You’ll be able to track online when the checks have cleared.

To order checks, log in to your account, navigate to “My Accounts > HSA Snapshot,” and click on “Order Initial Checks” at the bottom of the page. Your first order of 50 checks is free.

Reimbursing Yourself

You may reimburse yourself for qualified medical expenses you paid out-of-pocket, if your HSA was in place when the expense was incurred.

For example, if you need to go to the doctor now, and as a new account holder your HSA balance is not yet high enough to cover the expense, you should pay it out of your own pocket, allow yourself some time to build up the balance in your HSA, and then **reimburse yourself from the account using one of the above methods**.

Be sure to keep copies of your receipts for your tax records, as proof that you used your HSA funds for qualified medical expenses!

Good to keep in mind:

Always make sure your account has a sufficient balance before you use your debit card, write checks or otherwise withdraw money from your HSA. If the money’s not there, you can’t spend it!



Consider the benefits:

If you contribute up to \$4,000 to your HSA, you will have gained **\$1,000 in tax savings!***

Take full advantage, and contribute as much tax-free money to your HSA as allowed each year!

** If you are in a 25% tax bracket.*

Maximizing Your HSA Funds

Since your HSA is a tax-exempt account established specifically for paying for qualified medical expenses, it makes sense to **use it to its fullest**.

Making regular contributions to your account can help build up savings for future medical expenses for you and your family. It's **responsible planning**, and it will give you a financial cushion.

And, you may continue contributing funds to your HSA for one calendar year **until mid-April of the following year** (until the date federal income tax returns are due), provided you have not met or exceeded your annual contribution limit for that year. That's useful, if you want to contribute up to the maximum amount allowed, and you were unable to do so before December 31.

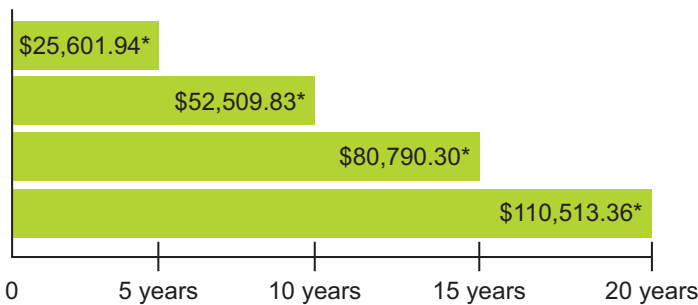
To determine **how much you may contribute to your HSA**, a chart of current annual contribution limits is available on our Web site under “Managing Your HSA > Frequently Asked Questions > Health Savings Account.”

To set up recurring contributions, log in to your account on our Web site and navigate to “My Accounts > Funds Transfer > Schedule Recurring Transfers.”

You also may be eligible for payroll **direct deposit** – check with your employer.

The sooner you start contributing to your HSA, the more you can save!

With monthly deposits of \$416 and an annual percentage yield of 1%, your account will grow as follows:



** Does not include the amount you will have saved in taxes.*

Customize these numbers! Access the HSA Savings Calculator on our Web site (under “HSA Resources > Financial Calculators”) to create your chart. With just a few clicks, you will have a personalized chart that reflects how your HSA contributions may grow and what your potential tax savings may be.

News You Can Use!

The “**HSA Resources**” section of our Web site offers helpful links to:

- Financial calculators
- List of qualified HSA expenses
- HSA guidance from the government
- HSA Newsletters
- Preferred HSA partners that provide added value and savings – access resources that allow you to save money on brand name and generic prescriptions, save receipts online, accumulate cash rewards based on your retail purchases, etc.*

** Specific resources available to you are listed online;
not all resources are available to all HSAs.*



*With so much information available
at your fingertips, it's easy to learn
how to use your HSA!*



Remember, you are responsible for your Health Savings Account!

- You must **manage your HSA in accordance with IRS regulations**. HSA funds should only be used for qualified medical expenses; otherwise, you could incur a penalty and additional taxes. Contact your tax advisor or the IRS for details.
- Be sure to **keep receipts and records** of your withdrawals/distributions for tax purposes.
- **Make sure your account has a sufficient balance** before you withdraw money from your HSA.

We're glad you have opened an HSA with us. If you have any questions or need information you can't find on our Web site, please **give us a call** – our experienced Customer Service Representatives are available **any time of the day or night**.

**We're here to help.
Feel free to contact or visit us:**

By Phone:

800.555.9316 (toll-free, 24/7)

By Email:

BancorpHSA@thebancorp.com

Online:

www.theBancorpHSA.com



Banking services provided by The Bancorp Bank. Member FDIC.