

WHAT IS AN HSA?

A Health Savings Account (HSA) is a special account owned by an individual where contributions to the account are to pay for current and future medical expenses.

HSAs are designed to help individuals/families defray the out-of-pocket expense when they are covered by a High Deductible Health Plan (HDHP). An HDHP is defined as having a higher annual deductible than typical health plans and a maximum limit on the sum of the annual deductible and out-of-pocket expenses. Out-of-pocket expenses include co-payments and other amounts. You own and control the money in the HSA. How you spend the money is your decision; you don't have to rely on a health insurer or third party.

2019 IRS guidelines for qualifying HDHP & Contributions Limits subject to change

	Single	Family
2019 IRS Contribution Limits	Self Only \$3,550 - Over 55 \$4,550	\$7,100 - Over 55 \$8,100

*Subject to annual cost of living adjustment, if any.

Benefits of an HSA

Tax Benefits

Contributions, whether completed by you the customer and/or your employer, may in turn lower your taxable income. Distributions that are used for qualified expenses are tax free.

Contributions (Deposits)

- Contributions can be made by the account holder, any third party on behalf of the account holder and an employer.
- Contributions can be 100% deductible up to the contribution limits determined by the IRS each year.
- Additional contribution options are available to individuals and their spouses who are over the age of 55 and not enrolled in Medicare.

Note: Contribution limits are set by the IRS and are subject to change.

Distributions (Withdrawals)

- Funds in an HSA can be used tax-free for qualified medical expenses, including over-the-counter drugs. (See IRS Publication 502 for a complete listing.)
- HSA funds can also be used tax-free to pay COBRA or other medical insurance premiums during periods of unemployment or temporary layoff while collecting unemployment compensation.
- At age 65, unused HSA funds can be withdrawn for non-medical reasons without IRS penalty. (Ordinary income tax applies.)

Convenience

Oklahoma Fidelity Bank offers a variety of contribution and withdrawal methods to provide you with quick and easy access to your account.

Contributions

This account is capable of receiving contributions by:

- Electronic deposits
- Over-the-counter deposits
- Mail-in deposits

Distributions

Distributions can be made in several different ways

- Writing a check
- Using a HSA debit card
- Over-the-counter withdrawals

HSA Account Features

- Interest paid monthly on your daily collected balance
- Low opening deposit of \$25
- No monthly fee, no minimum balance to maintain
- Free Oklahoma Fidelity Bank HSA duplicate checks (first order)
- Unlimited check writing
- HSA Debit Card with no annual fee†
- Free online banking
- Free SmartVoice telephone banking
- FDIC Insured

†Subject to application approval.

Note: The Internal Revenue Service restricts this type of checking from any and all types of overdraft protection.

Open an HSA

To open an HSA with Oklahoma Fidelity Bank, stop by one of our many convenient locations.

Important Information about Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

Ownerships

HSAs are individual accounts and may not be jointly owned. However, you are permitted to have an authorized signer, such as your spouse, just like any account you may designate a beneficiary.

Owner's Responsibility

An HSA owner, with the assistance of his insurance company and tax/legal professional, are responsible for making all determinations relating to this type of account.

Financial Institution's Responsibility

As the trustee of the HSAs our responsibilities are much like that of the Individual Retirement Accounts. Oklahoma Fidelity Bank is not responsible for determining an HSA owner's eligibility, nor is it responsible for determining whether an HSA owner's distribution is for a qualified medical expense.

This brochure is intended to provide general information concerning HSAs. It is not intended to be a detailed explanation of the regulations covering these accounts or how they may apply to your individual circumstances. For specific information, you are encouraged to consult your tax or legal advisor.

Contact Us

www.okfidelitybank.com

Toll Free: 1.800.757.0464

