

Chase Health Savings Account

Frequently Asked Questions



THE BASICS

What is a Health Savings Account (HSA)?

It's a special, tax-advantaged account you can use to pay for qualified medical expenses if you have a High Deductible Health Plan (HDHP) and meet all other eligibility requirements. You deposit money in your HSA, where it earns interest tax-free. And you can withdraw money tax-free as well, provided you use the funds for qualified medical expenses.

Why should I open an HSA?

- You can save up to 30% or more on your healthcare costs.
- You build a healthcare nest egg that's yours to keep – even if you change jobs.
- You can save your HSA funds in an FDIC-insured savings account, or choose to invest in a diverse range of mutual funds.
- Money you don't use stays in your account year after year, earning tax-free interest.
- If you don't use the money for medical expenses, you can spend it on a taxable basis for retirement or any other purpose after age 65.

What's the difference between an HSA and an FSA?

A Flexible Savings Account (FSA) is also designed to help you pay for qualified medical expenses, but despite its name, an FSA is far less flexible than a Health Savings Account. With an HSA:

- You can manage your own investments.
- Your HSA funds roll over from year to year. It's not "a use it or lose it" program!
- You can take the funds with you to a new job.

ELIGIBILITY

Am I eligible for an HSA?

To be eligible for an HSA:

- You must be enrolled in an HDHP
- You cannot be covered by any other health insurance
- You cannot be claimed as a dependent on another person's tax return
- You cannot be enrolled in Medicare

How do I know if my plan is an HDHP?

High Deductible Health Plans normally have a deductible of at least \$1,200 for individuals and \$2,400 for families (2011 limits). Check with your Benefits Manager to make sure your plan qualifies.

CONTRIBUTIONS

What is the maximum amount I can contribute?

For the 2011 tax year, the maximum annual contribution is \$3,050 for individuals and \$6,150 for family coverage. If you're 55 or older, you can also make an additional \$1,000 catch-up contribution. Anyone can contribute to your HSA.

How do I make contributions?

You can:

- Authorize electronic deductions from your designated checking account – one-time or recurring
- Request pre-tax payroll deductions through your employer
- Send Chase a check to be deposited in your HSA using the deposit slips in your Welcome Kit
- Roll over funds from another HSA, another qualifying medical savings account (such as an FSA or HRA), or even your IRA



(over, please)

WITHDRAWALS

How do I access my HSA funds?

You'll receive an HSA debit card to get instant access to your HSA dollars and pay for eligible out-of-pocket health expenses. In addition to online bill pay, you also have the option of ordering HSA checks* to withdraw funds directly from your account. And you can even use cash or a personal check, then reimburse yourself from your HSA at a later time.

Do I need to file claims for my expenses?

No. You simply need to make sure that you're using the money for qualified expenses, and save your receipts for tax purposes.

How do I know which expenses are qualified?

Qualified expenses include medical fees and deductibles at doctors' offices, pharmacies, dentists, vision centers, medical labs, and much more – including many treatments and medical supplies that traditional healthcare plans don't cover. Refer to our *Qualified Expenses* listing for general information regarding qualified and non-qualified expenses.

MANAGING YOUR ACCOUNT

How do I keep track of my HSA balances?

Monitor your HSA activity online at our secure website anytime day or night. You can see monthly, year end, and tax statements online (paper statements are also available, may be subject to a fee). In addition, you can contact our dedicated Member Service Unit. Website and telephone information will be provided to you with your enrollment kit.

When can I begin making investments?

Any balances below \$2,000 are automatically held in your HSA Cash Account, which gives you immediate access to the funds you need. Once the balance in your HSA Cash Account reaches \$2,000, you are eligible to apply for an HSA Investment Account.

What investment options are available?

Choose from a diverse range of JPMorgan and American Century mutual funds. Your investment choices include a variety of funds – asset allocation, fixed income, and equity mutual funds – all supporting a range of investment objectives and time horizons. You can review the full list of investment choices online or request an investment guide by contacting a Chase customer service representative.

How do I make changes to my HSA investments?

You can purchase, exchange, and redeem mutual funds on the Chase HSA member website with no trading fee; or you can contact our dedicated registered representatives to place a trade. (Fees may apply for trades placed by phone. A complete fee schedule is available when you enroll.)

Can I elect to keep my funds in an FDIC-insured account instead of participating in the investment program?

You can control all aspects of how your funds are managed. If you choose to keep the funds in the HSA Cash Account, you will enjoy a competitive interest rate and the peace of mind of FDIC insurance on your deposits.

What are the fees?

Please see the fee schedule provided by your employer during enrollment for a detailed list of banking fees. There are no transaction fees charged by Chase for using the card at an ATM or point of sale. However, additional fees do apply for insufficient funds, additional cards, ordering checks, etc.

TAX REPORTING

Are there any forms I need to file with my taxes?

Yes. The IRS requires that you complete and submit the Form 8889 with your tax return. On this form you report any employer contributions to the account, as well as any additional contributions you or your spouse have made. This form will assist you in calculating your HSA deduction. Please contact your tax advisor to discuss your specific situation.

Will Chase also file forms on my behalf?

Yes. Form 5498-SA reports all contributions to your HSA in a given tax year, and Form 1099-SA reports all withdrawals. Both forms are filed electronically with the Internal Revenue Service, and Chase will send you statement copies for your records.

WHAT-IFs

What if I change jobs?

Your HSA funds are yours to keep. Depending upon your new employment situation, you may be able to roll over your funds into an HSA sponsored by your new employer or you may elect to maintain your Chase HSA.

What if I cancel my High Deductible Health Plan?

When your HDHP coverage ends, you are no longer eligible to make HSA contributions. However, you can keep your HSA with Chase and continue to use your HSA funds to pay for qualified expenses tax free. Once you are eligible again, you can make additional contributions. Please remember that you are responsible for tracking your personal contribution limit. Contact your tax advisor if you have additional questions about your specific situation.

What if I end up never using all my funds?

At age 65, you will have the freedom to use your HSA funds on a taxable basis for any purpose – so your HSA also lets you save for retirement tax-free.

What if I need the funds earlier for a non-medical purpose?

You may also elect to use your funds for a non-qualified purpose prior to age 65, but these funds will be taxable and a 20% IRS penalty will apply.**

For additional information, visit our website at www.chase.com/hsa or call 1-866-566-7101.

To enroll, contact your Benefits Manager today.

* There may be fees associated with ordering HSA checks. Please consult your company's Benefits area for more information. Checks are subject to pre-approval.

** Funds drawn for non-qualified expenses prior to age 65 will be taxable and a 20% IRS penalty will apply, except in the case of distributions made after your death or disability.

For more complete information about any of the mutual funds available within the HSA Investment Account, please visit the cardholder website or contact a J.P. Morgan Institutional Investments Inc. registered representative at 1-866-774-7129. Investors should carefully consider the investment objectives, risks, charges, and expenses of the fund. Please carefully read the prospectus, which contains this and other important information, before you invest or send money.

Health Savings Accounts are administered by JPMorgan Chase Bank, N.A. Member FDIC.

Mutual funds are introduced by, and HSA investment accounts are offered by, J.P. Morgan Institutional Investments Inc., member FINRA and SIPC, and an affiliate of JPMorgan Chase Bank, N.A. This service is available only to U.S. persons (including U.S. Citizens and U.S. Resident aliens) residing in the U.S.

Mutual fund shares are: NOT FDIC INSURED, NOT PRODUCTS OF OR GUARANTEED BY THE BANK and MAY LOSE VALUE.