

Welcome to the Aetna HealthFund® Health Savings Account (HSA)

A health benefits plan and a tax-free savings account all in one.

Thank you for choosing Aetna!

We are excited that you have chosen a new approach to managing your health care and health care dollars. The Aetna HealthFund HSA is a special kind of savings account with a different kind of Visa® debit card than you may be familiar with, so we encourage you to thoroughly review this information package and save it as a reference when you begin using your HSA. If you have questions, please contact Member Services.

Important Information about Your HSA

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Making a Contribution

- You must be covered under a high deductible health plan (HDHP) in order to contribute to your HSA.
 - For 2009, you may contribute up to the maximum allowable annual amount, which is \$3,000, if you have self only HDHP coverage and \$5,950 if you have family HDHP coverage.*
 - In addition if you or your spouse are age 55 or over, you can make an additional "catch up" contribution of \$1,000 per year. If your spouse is 55 or over and would like to make catch-up contributions, those contributions must be made to his/her own individual HSA account. If your spouse would like to open an HSA, contact Member Services.
 - You, your eligible family members, your employer or any combination of these may contribute to your HSA. Combined contributions from all sources cannot exceed the maximums.
 - If you contribute over the maximum allowed in a calendar year, you will have made an excess contribution to your account. Excess contributions are treated as income and are subject to a six percent penalty if not withdrawn from your HSA before filing your federal income tax return for the taxable year. To withdraw excess contributions from your HSA, a Request for Return of Excess HSA Contribution form is available on Aetna Navigator under "Requests & Changes/Forms" or by calling Member Services.
- You may contribute by:
 - (a) Payroll deduction (if available through your employer), or
 - (b) Authorizing funds to be deducted from your designated bank account through electronic funds transfer (EFT), or
 - (c) Mailing a check with an HSA deposit slip. You'll find a supply of deposit slips in your HSA welcome kit. Additional deposit slips are available on Aetna Navigator under "Requests & Changes/Forms" or by calling Member Services.
 - If you do not put the maximum in your HSA by the end of the calendar year, you can still make a contribution to your HSA for that year, as long as you make the contribution before the date you need to file your federal income tax return for that year (typically, April 15 of the next year). When you submit your HSA contribution via check, please indicate on your deposit slip whether your contribution is for the current or previous tax year.
 - Be sure to contribute to your HSA account each year to make the most of your savings opportunity.



* These are 2009 maximums, which will be adjusted for cost of living in future years. The maximum amount you can contribute may change based on your plan eligibility throughout the year. Please consult your tax advisor.

Important Information about Your HSA

Using Your Account

- You can **withdraw money** from your HSA to reimburse part or all of your qualified expenses (including your deductible, prescription drug expenses, copays and coinsurance payments). For a list of qualified expenses, visit Aetna Navigator.
- Or you can choose to pay out-of-pocket and **save your HSA** to help pay for future health-related expenses, COBRA premiums, long-term care insurance premiums or certain retiree health expenses.

Paying for Qualified Expenses

Your Aetna HSA Visa® Debit Card is accepted at point-of-sale locations that offer access to CIRRUS®, Pulse® and Interlink® networks and wherever Visa® debit cards are accepted. When you're ready to make a purchase, simply:

- Present your card for payment to the clerk or swipe your card through the point-of-sale (POS) machine.
- Choose CREDIT or DEBIT.
 - If you choose CREDIT, you will be asked to sign a purchase receipt.
 - If you choose DEBIT, you will be asked to enter your four-digit Personal Identification Number (PIN).
- The clerk will enter the amount of your purchase.
- The total will be subtracted from your HSA Cash Account balance.

You can use your card to make qualifying purchases over the phone, on the Internet, or after you receive a bill from your provider. Just provide your card number and expiration date. You can also use Aetna HSA checks to pay for qualified expenses. Or you may be able to use Aetna AutoDebitSM. It's an option that lets you decide if you want money withdrawn from your HSA without using a debit card.

Know Your HSA Account Balance

It is important to know your HSA balance before you access your HSA dollars because the amount you withdraw cannot exceed

your account balance. If you use your HSA debit card to pay for qualified expenses and there isn't enough money to cover the cost, your transaction will be denied, and you may incur a "Denial" fee. If that happens, you will need to pay from another source and reimburse yourself once your HSA funds have been replenished.

Tracking Your Account Activity

- You can track your Aetna HSA account activity online anytime, day or night. Log on to Aetna Navigator® website at www.aetna.com to view your HSA account balance, account summary and account activity. Your debit card must be activated before you can view your activity online.
- A monthly paper statement, which includes contributions, withdrawals and interest accrued, is available upon request.
- You can use an ATM to check your HSA balance. (Note: You may incur an ATM balance inquiry fee.)
- You can check your HSA activity by calling Member Services as directed on your HSA debit card.

Designating or Changing Your HSA Beneficiary

- You should complete an HSA Beneficiary Designation form indicating who should receive your account if you should die. An HSA Beneficiary Designation form is available on Aetna Navigator under "Requests & Changes/Forms" or by calling Member Services. Changes can be made at any time by completing another Beneficiary Designation form.
- You can name anyone as a beneficiary, but if you are married and live in a community or marital property state, then state law requires that you obtain your spouse's signature if you want to designate someone other than, or in addition to, your spouse as your beneficiary. If you do not name a beneficiary, then at the time of your death the funds in your HSA will become part of your estate.

What Happens to Your Aetna HSA if You Leave Your Job or No Longer Participate in a High Deductible Health Plan?

1. If you leave your job and do not enroll in another high deductible health plan, you may:
 - Keep your HSA open with Aetna. Although you can no longer contribute, your HSA continues to earn interest and you can continue to withdraw funds to pay for eligible expenses as defined by the IRS.
 - Close your HSA account and receive any remaining funds (which may be subject to tax penalty).
 - Transfer your HSA balance to a new HSA administrator with no tax implications.
2. If you enroll in a new high deductible health plan with Aetna or another carrier, you can:
 - Continue to make contributions to your Aetna HSA up to the maximum allowable annual amount.
 - Contribute to a new HSA, if your new health plan offers one.
3. If you are age 65 or over and enroll in Medicare Part A or B, you may also keep your Aetna HSA open, but no additional contributions can be made to your account. Your HSA continues to earn interest and you can continue to withdraw funds to pay for eligible expenses as defined by the IRS.

Tax Reporting

The IRS requires that Aetna report HSA account activity to you and the IRS. By the end of January you can expect to receive Form 5498-SA reporting your account contributions and, if you made withdrawals, Form 1099-SA reporting your account distributions. NOTE: Contributions made after January are reported in May. For more information on HSA tax reporting, contact your tax advisor.

Using this information and the information available to you online, you will need to complete Form 8889: Health Savings Accounts and attach it to your Form 1040 when you file your annual income tax return. You can access and print Form 8889 at www.irs.gov. For more information on HSA tax reporting, contact your tax advisor.

Questions and Answers about Your Aetna HSA and Aetna HSA Visa Debit Card



conditions of your HSA Custodial Agreement and applicable laws.

What is a qualified expense?

You can use your HSA to pay for your portion of qualified expenses that are covered by your high deductible health plan (HDHP). Additionally, you can pay for qualified expenses that your health plan doesn't cover, such as vision care (eye glasses and contact lenses), dental and orthodontic services and even long-term care insurance. For a list of "qualified expenses" visit Aetna Navigator.

Your contributions can only be used to pay for or reimburse you for qualified medical expenses that you incur after your account has been open. Your account opening date is located at www.aetna.com on your HSA Account Summary screen.

You may withdraw money from your HSA for items other than qualified health expenses, but you will be subject to income tax and a 10% penalty tax (unless you are age 65 or older, or disabled) on the amount withdrawn.

Remember: Under HSA regulations, you are responsible for determining which expenses are considered "qualified expenses." Please consult your tax advisor for guidance.

What happens if I don't spend all the funds in my HSA by the end of the year?

All unused funds in your HSA carry over into the next year and continue to accrue interest. If you have funds in the HSA Investment Account, they will remain intact. The HSA belongs to you as an individual. Unlike other programs, you do not lose the HSA balance at the end of the year.

Can I roll money from my IRA into my HSA?

You are permitted to execute a one-time, tax-free trustee-to-trustee transfer of funds from an Individual Retirement Account (IRA) into your HSA. IRA transfers will count towards your maximum annual contribution limit. A Rollover/Transfer IRA Funds form is located on Aetna Navigator under "Requests & Changes/Forms" or by calling Member Services.

Are there any fees associated with my HSA?

Yes, you may incur certain banking transaction fees. Please refer to the fee schedule provided to you during enrollment or contact Member Services to request a fee schedule.

What happens if I contribute too much to my HSA?

The IRS imposes a penalty on excess contributions. Additionally, you would be required to pay tax on the interest earned on those excess funds. To withdraw excess contributions from your HSA, a Request for Return of Excess HSA Contributions form is located on Aetna Navigator under "Requests & Changes/Forms" or by calling Member Services.

Do I need to file claims with an HSA?

No. You simply pay for qualified expenses using your Aetna HSA Visa Debit Card or check. However, it is recommended that you keep copies of your receipts for your records in case they are requested by the IRS.

Using Your Aetna HSA Visa Debit Card for Payments

What if I forgot my Aetna HSA Visa Debit Card, how do I pay for my expenses?

Pay for your expenses out-of-pocket. Then reimburse yourself from your HSA by making a withdrawal at a select ATM. When using an ATM, simply enter your PIN and select "Checking Account" to gain access to your HSA Cash Account funds. You can also use Aetna HSA checks to pay for qualified expenses. Only ATMs that display these logos will accept your card:



You may incur an ATM withdrawal fee for any ATM withdrawal. In addition, most ATM operators will also assess a "service fee"

Does the money in my HSA earn interest?

Yes. Your HSA funds earn interest tax free, and there is no minimum balance required to earn interest. In addition, once your HSA balance reaches \$2,000, you may have the HSA investment service available to you.

Who can contribute to my HSA?

You, your employer or an eligible family member – or any combination – may make contributions to your HSA, up to the annual contribution limit.

How do I contribute to my HSA?

You may contribute to your account through payroll deductions (if available), or you may make contributions via check or Electronic Fund Transfer (EFT) at any time in any amount up to the maximum limit. HSA contributions made by payroll deduction are prorated over the course of the plan year based on payroll schedules. If you are contributing via check, please complete a deposit slip indicating your HSA account number. Your account number is located at www.aetna.com on your HSA transaction history screen. You typically have until April 15 of the following year to make HSA contributions for the current year.

When will contributions to my account be available for withdrawal?

HSA contributions will be available for withdrawal when funds are deposited. Funds availability will be governed by the terms and

(typically between \$.50 and \$2.00) for use of their machine. You will not incur a service fee if you use a Chase ATM.

Are checks provided with my HSA?

Yes, checks are available upon request. Check writing capabilities are subject to review and approval. If you have not already elected to receive HSA checks, you may do so now by completing the Additional HSA Options Election form included in this package.

How do I use my Aetna HSA Visa Debit Card to pay for doctor's visits?

In most instances, you will not make a payment when you receive service. You should wait for the medical claim to be processed through the insurance company's claim system. The doctor's office will send you a bill requesting payment for your member responsibility. You should write your Aetna HSA Visa Debit Card number on the doctor's bill and submit for payment or use an HSA check.

Are there daily withdrawal limits associated with my Aetna HSA Visa Debit Card?

The Aetna HSA Visa Debit Card has a daily withdrawal limit of \$3,000. Some ATMs may restrict the amount you can withdraw in a single transaction and you may have to use the ATM more than once to withdrawal your HSA daily limit. Additionally, your daily purchase limit is \$5,000.

Where can I access HSA forms?

HSA forms can be accessed on Aetna Navigator under "Requests & Changes/Forms" or by calling Member Services.

If I forget my PIN, my PIN becomes locked, or have general HSA questions, who do I contact?

You may contact Member Services as indicated on the back of your Aetna HSA Visa Debit Card.

How do I request an additional card?

If you want to order an additional Aetna HSA Visa Debit Card for your spouse or eligible dependent, please complete the Additional HSA Options Election form included in this package.

What if I lose my card?

Call our dedicated lost/stolen card number at **1-866-524-2562**.

How do I update my account information (e.g., address change)?

Please contact Member Services as indicated on the back of your Aetna HSA Visa Debit Card.

How can I learn more about my HSA?

Our HSA online video available at www.aetna.com/hsa/video is designed to help you understand how your HSA works, and how you can get the most from it.

Thank you for choosing the
Aetna HealthFund HSA.

Customer Support

Information about your Aetna HSA is available:

Online at www.aetna.com.

By phone, toll-free, call Member Services as indicated on the back of your Aetna HSA Visa Debit Card.

To report lost/stolen cards: **1-866-524-2562**

The HSA Visa Debit Card and HSA Checkbook administration support are provided by JPMorgan Chase Bank, N.A. ("Chase"). You may receive communications that reference the Chase name, where appropriate.

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