



HEALTH SAVINGS ACCOUNTS

Health Insurance Alternative

Health Savings Accounts (HSAs) are tax-free savings accounts available to individuals who have a qualified High Deductible Health Plan (HDHP), where funds are used to pay for current and future medical expenses.

To be eligible to open an HSA, individuals:

- Must be covered by a qualified HDHP
- Cannot have other health insurance coverage
- Cannot be enrolled in Medicare
- Cannot be claimed as a dependent on someone else's tax return
 - Children cannot establish their own HSAs
 - Spouses can establish their own HSAs, if eligible

This product offers individuals an alternative method of paying for health care expenses on a tax-favored basis. Contributions are tax-deductible and eligible withdrawals are tax-free. Funds not spent can carry over to future years penalty-free, there are no "use it or lose it" regulations.

Interest is earned on balances at increasing tiered rates. Heritage Bank provides monthly statements and access to accounts online with *Heritage@Home*, our free online banking service.

Advantages of HSAs:

Security—Pair your qualified HDHP with an HSA to protect against high or unexpected medical bills.

Affordability—Pay less for an HDHP and use the premium savings to fund your HSA.

Control—Make all the decisions about how much to contribute and how to utilize the funds.

Flexibility—Use funds for a wide range of medical expenses not typically covered by other health insurance.

Portability—Keep your accounts when you change jobs or medical coverage, become unemployed, move to another state or change marital status.

Tax Savings—Earn triple tax savings:

- Tax deductible contributions to the account
- Tax-free earnings
- Tax-free withdrawals for qualified medical expenses



Call your local branch today!

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