



ASSURANT  
Health

**What if I withdraw funds and use the money for other purchases?**

If funds are withdrawn for non-qualified expenses, the amount withdrawn is subject to income tax and a 10% penalty by the IRS.

**If I don't use the money each year, is there a maximum amount that can be accumulated in the HSA account?**

No, if you don't use the money for medical expenses, you can build a considerable nest egg for your retirement.

**Can I continue to make deposits once I retire?**

You can make deposits until the age of 65 or you qualify for Medicare.

**What happens to my account at age 65?**

You can maintain the account and withdraw funds (but not make additional deposits).

- Withdrawals for qualified expenses remain tax-free
- Withdrawals for non-qualified expenses are:
  - Penalty-free
  - Subject to income tax but most often at a lower rate because your income typically is lower

**If you have additional questions regarding HSAs, please contact your employer.**

This brochure is designed to provide information regarding a Health Savings Account (HSA) and how it can be used with a high deductible group health insurance plan. It is provided with the understanding that Fortis Insurance Company is not engaged in rendering tax or legal advice. If tax or legal advice is required, seek the services of your professional advisor.

Assurant Health markets products underwritten by Fortis Insurance Company.

Form 28483



**HSA**  
*Information  
for Employees*

**Time** Insurance

# An HSA lets you spend tax-free and save tax-free!

A **Health Savings Account (HSA)** is a new, federally approved, special savings account that enables you to pay for qualified medical expenses with money that is not taxed.

**HSAs are only available to those with a qualified high deductible health insurance plan.** Your employer selected a high deductible HSA plan.



The HSA plan is issued by Fortis Insurance Company, an experienced health insurer that specializes in small group and individual health insurance and is presented by Time Insurance. Time has sold and serviced health insurance plans for over 110 years and has been offering high deductible plans with savings accounts since the concept was first approved by the federal government in 1996.

The high deductible plan provides major medical coverage so you are protected from financial hardship due to unforeseen illness and injury – the real purpose of health insurance.

The HSA allows you and/or your employer to deposit tax-free money into the HSA to cover current or future medical expenses. And what you don't use, you can save until retirement. It's your money!

**HSAs receive special tax treatment.** Money deposited in an HSA account is tax-free. It earns tax-free interest and can be withdrawn tax-free to pay for qualified medical expenses. This special tax treatment makes an HSA unique. Money placed in other accounts or investments is taxed before it's deposited, upon withdrawal or at both times. Even 401k plans and IRAs don't have this special tax-favored treatment.

**In addition, HSAs:**

- **Allow for the accumulation of unused funds from year to year** so you can pay for future medical and/or dental expenses or even save and use the money as a supplement to retirement income.
- **Are owned by you**, so the funds belong to you whether deposits are made by you, your employer or both.
- **Go with you** if you ever leave your job.

## Frequently Asked Questions about HSAs

### How much can be deposited to the HSA?

- The maximum annual contribution is the lesser of your deductible or \$2,600 for a single person and \$5,150 for a family.
- The allowed maximum can change each year on January 1st. The new amount is based on changes in the Consumer Price Index.
- Legislation allows for a "catch-up" provision for those ages 55 and older. In 2005, an extra \$600 can be contributed to an HSA. The "catch-up" amount increases by \$100 each year until \$1,000 in 2009 and thereafter.

### Will I earn interest on the money in my account?

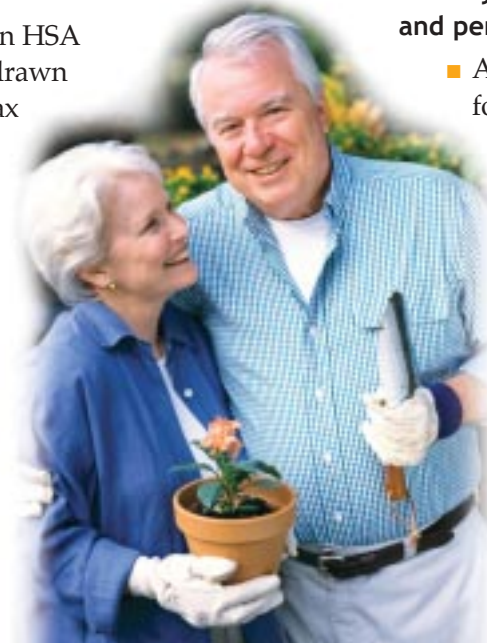
- That will depend on the administrator of your account.
- If your employer selected Assurant Health's HSA Tools, you will earn interest based upon your account balance. You'll earn 3% on an HSA balance of \$5,000 or more and 2% on a balance between \$750 and \$4,999. Rates are subject to change.

### What type of expenses can be paid tax-free and penalty-free from an HSA?

- A complete list of qualified expenses can be found under Section 213(d) of the IRS Code.

It includes:

- Deductibles and coinsurance
- Medically necessary inpatient and outpatient treatment
- Prescription and non-prescription medications
- Eyeglasses, contacts, hearing aids
- Dental services
- Qualified long-term care premiums
- COBRA continuation premiums
- Medicare premiums (but not Medicare Supplement premiums)



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**Find out how to make the best use of your tax-favored HSA.**