

## HEALTH SAVINGS ACCOUNTS

### What is a Health Savings Account?

Commonly known as an “HSA,” a Health Savings Account is a tax-exempt custodial account established for the purpose of paying or reimbursing qualified medical expenses for you, your dependents or your spouse.

### Who is eligible for an HSA?

You are eligible for a regular HSA contribution if:

- You are covered under a high-deductible health plan (HDHP).
- You are not also covered by any other health plan that is not an HDHP. There are certain exceptions for plans that provide for preventative care or other “permitted” coverage. Always check with your employer or health care provider for eligibility.
- You are not enrolled in Medicare.
- You are not a dependent on another person’s federal income tax return.

### What do we offer?

Our HSA account features include:

- An interest-bearing checking account with competitive rates.
- \$100 minimum daily balance to earn interest based on your account tier. Contact us to find out our current interest rates.
  - Tier one: \$100 - \$999
  - Tier two: \$999.01 – \$4,999
  - Tier three: \$4,999.01 – \$14,999
  - Tier four: \$14,999.01 or more
- Check access – includes first starter pack of checks.
- A debit card - use it to pay for qualified healthcare expenses like doctor visits and prescriptions.
- Mobile and online banking<sup>1</sup> - access your account to transfer funds, pay bills, get online statements and more.
- Mobile check deposit<sup>2</sup> in the app using your smartphone or tablet.
- No set-up fee but a \$24 annual fee applies. (waived for Premier Relationship Banking customers, Private Bank Checking account owners, and participating Workplace Banking employees)
- Investment Account (Investment accounts are not FDIC insured; no bank guarantee; may lose value) available when balance in excess of \$2,500.<sup>3</sup> Contact Fulton Financial Advisors HSA Investment Team for details at [HSAInvestmentOptionsFFC@fultonbank.com](mailto:HSAInvestmentOptionsFFC@fultonbank.com).

### What are the federal tax benefits of having an HSA?

Employer contributions to your HSA may be excluded from your gross income. You can deduct contributions made by anyone other than your employer, as long as they don’t exceed the maximum annual contribution amount. Contributions remain in your account until you use them. The interest or earnings grow tax free and distributions for qualified medical expenses are also tax free. Your tax advisor or legal professional can provide guidance if you have questions.

### Who can contribute to my HSA?

Once you have determined that you meet the eligibility requirements for an HSA, you, your employer, your family members and any other person may contribute to your HSA.

### What are the contribution limits and deductible requirements for my HSA?

Contribution limits and deductible requirements are set by the Internal Revenue Service (IRS) each year. In addition, there is a limit on the “out-of-pocket” expenses that can be incurred during the tax year. Please refer to the IRS website to check limits and requirements: [www.irs.gov](http://www.irs.gov). Your tax advisor or legal professional will also be able to help you if you have questions.

### What are the HSA owner’s responsibilities?

Once you have determined if you are eligible, opening an HSA is much like opening a checking account. Experienced staff can guide you through the opening process. Each year, you determine your allowable annual HSA contribution and whether you have qualified medical expenses eligible for reimbursement with your nontaxable HSA distribution.

Your tax advisor or legal professional will be able to help you if you have questions.

### How is the activity on my HSA reported?

Each year, we will report to the IRS the contributions made to your HSA account. We must also report the HSA distributions you take. As part of your federal income tax return, you will file IRS Form 8889 listing your contributions and distributions.

***This information is intended to provide general information about Health Savings Accounts. For specific information, please consult your tax or legal professional. IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, the instructions to IRS Form 8889 and the IRS’s web site, [www.irs.gov](http://www.irs.gov), may also provide helpful information.***

**800.FULTON.4 | [fultonbank.com](http://fultonbank.com)**

Deposit products offered by Fulton Bank, N.A.

Fulton may charge a foreign ATM transaction fee each time you request a balance inquiry, withdrawal or transfer at a foreign (non-Fulton Bank) ATM. Total foreign transaction fees may depend on other banks’ additional charges for using their ATMs.

<sup>1</sup>For Mobile Banking: Message and data rates may apply.

<sup>2</sup>You must first download the Mobile Banking app and enroll in Mobile/Online Banking. This feature is not available with Text/SMS Banking or Mobile Web Banking. Deposits are subject to verification and are not available for immediate withdrawal. Daily and monthly deposit limits may apply. Please read full online banking terms of service including information on deposit limits here: <https://www.fultonbankonlinebnk.com/bridge/disclosures/ib/disclose.html>.

<sup>3</sup>Fulton Financial Advisors operates through Fulton Bank, N.A. and is headquartered at One Penn Square, Lancaster, PA 17602.

Securities and Insurance products are not a deposit or other obligation of or guaranteed by the bank or any affiliate of the bank; are not insured by the FDIC or any other state or federal government agency, the bank, or an affiliate of the bank; and are subject to investment risk, including the possible loss of value.