Cigna Choice Fund - Two Parts
A simple and easy experience
Fully integrated medical plan and HSA

- Access to claims and balances on the myCigna® website or app
- Medical claim forwarding to the HSA
- Tools to help customers compare costs and quality information
- Access to Cigna Health Advisor® health coaches
- Combined financial statements for medical plan and HSA
- Integrated communications strategy
- 24/7/365 live service for medical plan and HSA
Choice Fund HDHP
With HSA

### Single
- **$3,000 Out-of-Pocket Maximum**
- **$1,500 Deductible**
- **80% in Network Health Coverage**
- **$625 Customer Responsibility**
- **$875**
  - 50% on January 1st
  - 50% on July 1st
- **100% Preventive Care**

### Family (EE+1)
- **$6,000 (Family)**
- **$3,000 (Individual)**
- **$3,000 Out-of-Pocket Maximum**
- **$1,500 Deductible**
- **80% in Network Health Coverage**
- **$1,500 Customer Responsibility**
- **$1,750**
  - 50% on January 1st
  - 50% on July 1st
- **100% Preventive Care**
Get to Know Your HSA a Little Better
What is a health savings account (HSA)?

A savings account with tax advantages for individuals enrolled in a qualified health plan - sometimes referred to as a high deductible health plan (HDHP)

- Contributions to your HSA are not subject to federal income tax, state income tax, or FICA taxes (Social Security)*

- Funds may be used to pay for qualified health care expenses without taxes or penalty

- Funds roll over year to year so you can save for future health care expenses

* HSA contributions and earnings are not subject to federal taxes and not subject to state taxes in most states. Two states do not allow pretax treatment of contributions or earnings: California and New Jersey
A Health Savings Account works with your HDHP

• The Basic Medical Plan covers illness or injury after your annual deductible is met, and certain preventive care services including preventive drugs at no cost.

• Funds in your HSA can pay for qualified medical expenses before AND after your annual insurance deductible is met, including some medical expenses that may not be covered by your insurance plan (such as Lasik).

• Use your Health Savings Account to cover qualified medical expenses not covered by the plan.
Tax example no HSA

$30,000/YR

- $4,500

- $2,000

= $23,500

15% Tax Rate on $30,000

($4,500)

($2,000)

$23,500 in your pocket
Tax advantage example with HSA

$30,000/YR
- $2,000
- $4,200
= $23,800

15% Tax Rate on $28,000

($2,000)  ($4,200)  $23,800 in your pocket

$300 Savings!
The benefits of Health Savings Accounts

- **Triple tax advantage**
- **No “use it or lose it”**
- **Investment options once you have $1,000 in your HSA Account**
- **Anyone can contribute to your HSA, up to the annual contribution maximum set by the IRS**

- **Once you’re 65, use it to pay for Medicare, and reimburse yourself for qualified long-term care insurance premiums**
- **Reimburse yourself for qualified medical expenses any time after your HSA is opened**
- **After age 65 non-qualified medical expense are taxed (no penalty)**
- **Make contribution changes at any time**
Who can open an HSA?

Those covered by an HSA-compatible health plan:

1. Can’t be covered by any other non-HSA-compatible health plan.
2. Can’t be claimed as a dependent on another person’s tax return.
3. Can’t be enrolled in Medicare.
4. Can’t be covered by TriCare.
5. Didn’t access VA medical benefits in the past 90 days (non-service related).
• Your HSA covers your family even if they’re not covered by your health plan

• Children must be tax dependents

You

Your kids

Your spouse
# How Much can I Contribute to My HSA?

<table>
<thead>
<tr>
<th>HSA Contribution Limit</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$3,650</td>
<td>$3,850</td>
</tr>
<tr>
<td>Family</td>
<td>$7,300</td>
<td>$7,750</td>
</tr>
<tr>
<td>Catch-Up (55+)</td>
<td>$1,000</td>
<td>$1,000</td>
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</tbody>
</table>

*Note: Employee and Employer Combined Contributions cannot exceed IRS Limits.*
Consider All Contributions Into HSA

<table>
<thead>
<tr>
<th>HSA Coverage Scenario</th>
<th>2023 Adjusted Limit Considering Employer Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$875 Into HSA (50% Jan 1) (50% July 1) $2,975</td>
</tr>
<tr>
<td>Family (EE+1 or more)</td>
<td>$1,750 Into HSA (50% Jan 1) (50% July 1) $6,000</td>
</tr>
</tbody>
</table>

* Note: Employee and employer combined contributions cannot exceed IRS limits. Example, including the employer’s HSA contribution, single coverage employees can contribute up to $2,975 in 2023.
Using your HSA for IRS-qualified medical expenses

- Acupuncture
- Ambulance
- Artificial limbs
- Artificial teeth
- Birth control treatment
- Blood sugar test kits for diabetics
- Breast pumps and lactation supplies
- Chiropractor
- Contact lenses and solutions
- Crutches
- Dental treatments (including X-rays, cleanings, fillings, sealants, braces and tooth removals)
- Doctor’s office visits and copays
- Drug addiction treatment
- Drug prescriptions
- Eyeglasses (Rx and reading)
- Fluoride treatments
- Fertility enhancement (including in-vitro fertilization)
- Flu shots
- Guide dogs
- Hearing aids and batteries
- Infertility treatment
- Inpatient alcoholism treatment
- Insulin
- Laboratory fees
- Laser eye surgery
- Medical alert bracelet
- Medical records charges
- Menstrual care products
- Midwife
- Occlusal guards to prevent teeth grinding
- Orthodontics
- Orthotic inserts (custom or off the shelf)
- Over-the-counter medicines and drugs
- Physical therapy
- Special education services for learning disabilities (recommended by a doctor)
- Speech therapy
- Stop-smoking programs (including nicotine gum or patches, if prescribed)
- Surgery, excluding cosmetic surgery
- Vaccines
- Vasectomy
- Vision exam
- Walker, cane
- Wheelchair
About Publication 502, Medical and Dental Expenses

Mar 4, 2022 — Publication 502 explains the itemized deduction for medical and dental expenses that you claim on Schedule A (Form 1040), including:

https://www.irs.gov › forms-pubs › about-publication-5...

2021 Publication 502 - Internal Revenue Service

IRS Publication 969 (HSA Info)

About Publication 969, Health Savings Accounts and Other ...

Information about Publication 969, Health Savings Accounts (HSA) and Other Tax-Favored Health Plans, including recent updates. Publication 969 explains HSAs ...

HTML · Deadline for contributions to... · 200

https://www.irs.gov › pub › irs-pdf › p969 › PDF · :

2021 Publication 969 - Internal Revenue Service
Access to HSA funds

**Debit Card**
- Use to pay for out-of-pocket expenses
- Can also be used to get cash at ATMs to reimburse themselves for qualified expenses paid with personal funds

**Online Bill Pay**
**Electronic Funds Transfer**
- Pay expenses directly from the HSA
- Monitor, manage and schedule payments online, anytime
- Schedule payments on a one-time or recurring basis

**Checkbook**
Purchase and write checks to pay for out-of-pocket expenses

**Medical AutoPay**
- Automatically pay all or selected eligible Cigna medical expenses from the HSA
- Can be turned on/off any time during the year
Navigating the Site
Health Savings Account (HSA)

How your HSA Works

Available Balance (Cash) $1,910.75

Investment Balance $2,381.70

Want to pay claims with your HSA online? Use the Pay Now button on the claims page to pay providers.

Transactions

<table>
<thead>
<tr>
<th>Filter</th>
<th>Last 24 Months</th>
<th>All</th>
<th>Sort</th>
<th>Most Recent</th>
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</thead>
<tbody>
<tr>
<td>May 02</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Manage your Account at HSA Bank

- Access tax documents
- Manage debit cards
- Change Investment elections

Call for Bank Service: (800) 244 - 6224

Visit HSA Bank 🌐
Quick Links for Easy Access

**Quick Links**

- Customer Website Guide
- Order Debit Card
- Investment Program Overview
- HSA Statements
- Update Beneficiaries
- Add External Bank Account
- Add Authorized Signer
- Account Alerts
Keeping Track of Contributions

Quick View

HSA Contributions & Distributions

- Contributions
- Distributions

HSA Contributions by Tax Year

- Current Contributions
- Maximum Contribution

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Investment Options for Everyone
Two Investment Platforms

DEVENIR

• Simple and Intuitive
• Like a 401(K)
• Preselected Fund Options
• HSA contributions go into investment accounts upon transfer.
• Set it and Forget it
• Guided Portfolio Selection Tool
• Less Navigation
• Tools and Resources and Videos

You can do Both!

TD Ameritrade

• More Complex with More Options
• More Geared to Investment-Savvy
• HSA contributions go to the TDA Brokerage Account upon transfer - from there you direct to specific funds/stocks
• An Introduction to a Brokerage Environment
• More Navigation
• Tools and Resources
Your best financial safety net

A healthy 65-year-old couple can expect over $295,000\(^1\)-$600,000\(^2\) in future lifetime healthcare costs.

1. Fidelity Retiree Health Care Cost estimate based on a hypothetical couple retiring in 2021, 65-years-old, with life expectancies that align with Society of Actuaries’ RP-2014 Healthy Annuitant rates with Mortality Improvements Scale MP-2017. Actual assets needed may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes. Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government’s insurance program, Original Medicare. The calculation takes into account cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by Original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care.
HSA money lasts longer in retirement
Impact of Tax-Free Withdrawals

WITHDRAWING $5,000/YEAR, STARTING AT 65, FROM A $50,000 BALANCE

ASSUMES 7% ANNUAL RETURN, 25% TAX BRACKET, AND THAT DISTRIBUTIONS ARE USED FOR HEALTH CARE EXPENSES
## Tax responsibilities and reporting

### Bank

**Bank** reporting for year-end taxes will be sent to the employee (accountholder)

- **Form 1099-SA** – Reporting all distributions from the HSA
- **Form 5498-SA** – Reporting of contributions and transfers into the HSA

### Employer

**Employer** reporting for year-end taxes will be sent to the employee (accountholder)

- **Form W-2**: Reporting all employer contributions, including pretax payroll deductions Employer contributions are not considered part of employee income

### Employee

**Employee** (accountholder) responsibility

- Ensure total contributions do not exceed allowable maximums
- Keep accurate records of contributions and withdrawals
- Maintain receipts for all use of HSA dollars: Purchases and bill payments
- **File form 8889** as part of income tax submission to the IRS
Designating a Beneficiary for Your HSA

Protect your assets. Protect your loved ones.

What is a Beneficiary?

A beneficiary is a person or legal entity that has been designated to receive the proceeds from your Health Savings Account (HSA) in the event of death.

A beneficiary can be one or more individuals (i.e., spouse, children, relatives, or friends) or organizations, such as a trust or charity. You can designate two types of beneficiaries:

1. **Primary Beneficiaries** are first to receive the designated asset upon your death. If you name more than one primary beneficiary, each will share the benefit equally, unless you indicate specific percentages totaling 100 percent are to be paid.

2. **Secondary (Contingent) Beneficiaries** receive the asset if there are no surviving primary beneficiaries upon your death. Multiple contingent beneficiaries will share the benefit equally, unless you indicate specific percentages totaling 100 percent are to be paid.

You may designate a beneficiary to receive your HSA assets in the event of your death. If you name a spouse as...
Two Ways to Access HSA

HSA Health Savings Account

- Available Cash: $1,910.75
- Investments: $2,381.70
- Total Balance: $4,292.45

See Details
Health Savings Account (HSA)

How your HSA Works

Available Balance (Cash)

$1,910.75

Investment Balance

$2,381.70

Want to pay claims with your HSA online? Use the Pay Now button on the claims page to pay providers.

Transactions

Filter: Last 24 Months, All

Sort: Most Recent

CVS/PHARMACY

May 02

-$28.85

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Call for Bank Service (800) 244-6224

Visit HSA Bank
<table>
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<td>Customer Website Guide</td>
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<td>Order Debit Card</td>
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<tr>
<td>Investment Program Overview</td>
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<tr>
<td>HSA Statements</td>
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<tr>
<td>Update Beneficiaries</td>
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<tr>
<td>Add External Bank Account</td>
</tr>
<tr>
<td>Add Authorized Signer</td>
</tr>
<tr>
<td>Account Alerts</td>
</tr>
</tbody>
</table>
Beneficiary Information

You may designate a beneficiary for your Health Savings Account. The designated beneficiary will receive your HSA assets in the event of your death. If you are married in common law or marital property states, you must designate your spouse as your Primary Beneficiary. You can change beneficiaries by submitting a notarized Beneficiary Change Form with your spouse’s signature of consent.

Name *

First Name

Last Name

SSN *

Birth Date *

mm/dd/yyyy

Address *

Address Line 1

Address Line 2

City

Select a state... Zip Code

Relationship *

Select a relationship...

Type *

Primary Contingent

Submit

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HSA Insights!

- Triple tax advantaged
- Employee owned
- Portable
- Money can be invested
- Start and stop contributions at any time
- Money rolls over and you never lose it
- Can reimburse yourself at ATM any point in the future for QME paid on or after HSA effective date
- Taxed as income once you reach 65 and take money out for non QME (no penalty).
Questions?