



Participant Reference Guide

Welcome to TASC HSA with University of Alabama!

We hope you will find the TASC HSA to be an efficient service and valuable benefit. This Guide will walk you through the steps that you need to complete your enrollment into the TASC HSA Plan, explain the funds transfer process, change of election rules and procedures, show you how to track your account, and explain how to handle the end of the Plan Year. Please retain this Guide for future reference.

Here’s what you’ll find inside:

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Enjoy the Unique Benefits of a Health Savings Account

An HSA allows account-owners to pay for current healthcare expenses and save for future expenses. This tax-advantaged investment vehicle is unique in that it offers **three separate tax benefits**:

Pre-Tax Payroll Contributions • Tax-Free Earned Interest on Investment Funds • Tax-Free Distributions for Qualified Expenses

By establishing an HSA, you can contribute funds into your account via pre-tax salary reductions to pay for qualified healthcare expenses. The funds are held in a custodial account until a qualified healthcare expense is incurred, at which point funds can be withdrawn from the account, or you may directly access your funds with the TASC Card.

Unlike an FSA, there is **no use-it-or-lose-it rule!** Unused balances at the end of the Plan Year are retained in the account and carried over to the subsequent Plan Years. Funds in the account belong to you (the account-owner) and are portable, meaning they stay with you even if you change employers.

And finally, an HSA allows you to **invest for your future!** When your HSA balance exceeds a minimum of \$2,000, those excess funds may be transferred to your HSA Investment Account to be invested in our top-rated mutual funds - where earnings grow tax-free!



TASC HSA Participant Portal:

<https://Partners.tasconline.com/TASC1PPT>

Access HSA Education Materials and Documents at:

<https://www.tasconline.com/benefits-participant-materials>

HSA Defined

Plan Summary and Eligibility

An HSA is established by an eligible individual to pay the qualified healthcare expenses incurred by the eligible individual and any dependents.

An eligible individual meets the following requirements:

- You must be covered under a High-Deductible Health Plan (HDHP), on the first day of the month.
- You have no other health coverage except for “permitted coverage” (such as accidental, dental, or vision coverage).
- You are not enrolled in Medicare.
- You cannot be claimed as a dependent on someone else’s tax return (spouse is excluded).

An HSA must be set-up with a qualified custodian or trustee. For the TASC HSA Plan, your account will be set-up and held at our financial institution partner, **HealthCare Bank**.

HDHP Requirements

HSAs work hand in hand with **High-Deductible Health Plans (HDHP)**. Individuals who make contributions to an HSA must be covered by an HDHP.

An HDHP has an annual deductible. In addition to the minimum deductible, there is a maximum limit on the amount of out-of-pocket expenses under the health insurance plan. Out-of-pocket expenses include deductibles, co-payments, and co-insurance. Premiums are not included. All of the HSA Limits are subject to annual cost of living adjustments.

A High-Deductible Health Plan has an annual deductible limit for individuals and families.

Visit our website to view current limits:
www.tasconline.com/benefits-limits

Plan Contributions and Limits

The contributions for an HSA through a Section 125 Plan are not subject to Federal and State (some states may vary) income tax and FICA. These contributions are made via payroll deduction. Contributions are deducted from your payroll on a pre-tax basis throughout the Plan Year and deposited via ACH into your TASC HSA. This is done on your authorization by enrolling in the HSA Plan.

You may also make post-tax contributions to your HSA at any time in addition to your pre-tax payroll contributions.

Contributions to the TASC HSA are subject to annual limits set by the IRS. View current limits online at

www.tasconline.com/benefits-limits

How to Determine Your Maximum Contributions

Your maximum *annual* contribution is determined by adding together your *monthly* contribution limits for the year:

- Your monthly contribution limit is determined on the first day of each month that you are an eligible individual.
- A monthly contribution limit is 1/12 of the annual contribution limit based on your health plan coverage (self-only or family) for each month.

Your annual contribution limit is determined by adding together your monthly contribution limits for the year.

Your monthly contribution limit is determined on the first day of each month that you are an eligible individual.

However, if you are HSA-eligible on December 1 of any given taxable year, you can be treated as an eligible individual for the full year and make a full year’s worth of HSA contributions, based upon the type of HDHP coverage (i.e., self-only or family) you have on December 1.

Please note a **testing period** applies if using this method. The testing period begins with the last month of the contribution year, December 1, and ends on the last day of the 12th month following (13 months).

If you do not continue to be an eligible individual for the entire testing period, (for reasons other than death or disability), the difference between your monthly determined maximum and the amount you contributed is includable in your gross income for the year of failure and is subject to a 10% penalty tax.

Catch-Up Contribution: For an eligible individual who is age 55 or older at the end of the tax year, the annual contribution limit is increased by \$1,000. Catch-up contributions can be made any time during the year in which the HSA participant turns 55. Unlike other limits, the HSA catch-up contribution amount is not indexed; any increase would require a statutory change.

Special Rule for Married Individuals: Married individuals with family coverage must divide their annual HSA contribution limit equally between each other, unless they agree upon a different division.

For example, if either spouse has HDHP family coverage, both spouses are treated as having family coverage and their combined maximum contribution limit is the statutory HSA contribution limit for family coverage. When both individuals have self-only coverage the amount is not divided and each individual can contribute the statutory HSA contribution limit for self-only coverage.

Married individuals with family coverage must divide their annual HSA contribution limit equally between each other, unless they agree upon a different division.

The **catch-up contribution** is excluded from this rule and if each spouse is eligible for a catch-up contribution they can each contribute up to \$1,000. The catch-up contribution cannot be combined or divided and must be contributed to the account of the individual eligible for the catch-up contribution.

Who Can Make Contributions?

Contributions to an HSA may be made by you, your employer, or anyone else who chooses to contribute on your behalf. All contributions to your HSA are counted towards your annual contribution maximum and you receive the tax benefit, regardless of who makes the contribution. If you have two HSAs, the contributions are combined in determining your annual contribution. Contributions to an HSA may be made **until April 15** for the prior calendar year.

No Use-It-or-Lose-It Rule

Unused HSA funds are **not** forfeited at the end of the Plan Year; instead they rollover from year-to-year. As the account-owner of the HSA, **you own the funds in the account**. In addition, if you move from one employer to another, the contributions are not lost; they are portable.

How to Get Started

1. Read through this *HSA Participant Reference Guide* to understand how the TASC HSA Plan works, in addition to specific Plan information provided by your employer.

Refer to the *TASC HSA Eligible Expenses Flyer* to find out which expenses are eligible for distribution.

2. Determine your annual election based on your estimated healthcare costs for the upcoming Plan Year and the annual contribution limit for your Plan. Remember, unused funds rollover into the next Plan Year!
3. Enroll into the TASC HSA Plan through your employer. You will receive a Welcome Email with instructions on how to access your HSA online.

4. **Accept Terms and Conditions online:** You **must** read and accept each of the Agreements below in order to activate your HSA:

- HSA Custodial Agreement and Disclosure Statement
- Designated Representative Agreement
- Electronic Disclosure
- Patriot Act Requirements

You must scroll to the bottom of each Agreement page in order to “Accept” the terms (checkbox). Failure to complete this step will result in inability to make distributions.

Please note: the activation process may take place overnight and not be completed immediately, depending on enrollment volume in our system.

Agreements	
You must accept the terms and conditions for this account by reviewing and accepting all agreements listed below.	
Custodial Agreement and Disclosure Statement	Read and agree
Designation of Representative by Accountholder	Read and agree
Electronic Disclosure	Read and agree
Important Information on Patriot Act Requirements	Read and agree
Interest Information	

Submit

Contact Us - Call Customer Care at (800) 350-3779 or Email us at hsa@tasconline.com

5. Once you are enrolled in the TASC HSA Plan, your HSA custodial account will be opened at **HealthCare Bank**.
6. TASC will process your account setup and notify you when complete. At that point, your TASC HSA account will begin to accept contributions and you will be free to access available HSA funds to pay for qualified healthcare expenses (refer to page 8 in this Guide).
7. You will receive a TASC Card in the mail at your home address within two weeks of enrollment (watch for plain white envelope).

HSA Investment Account

One unique aspect of an HSA is the ability for you to invest some of your savings to potentially increase the value of your account and save for retirement.

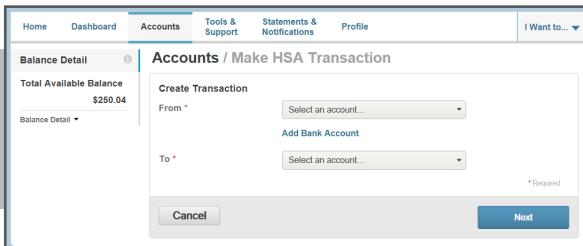
In order to invest your HSA funds, you must have a minimum balance of \$2,000 in your HSA cash account. Any dollar amount in excess of the \$2,000 may be rolled over into your HSA Investment Account via online Transfer/Distribution.

You determine how you want to allocate your money into the mutual fund options. Review the information regarding the investment options and performance to help you choose which investments you wish to place your funds.

For advice on investments choices, we recommend you contact a licensed investment expert. Neither TASC, nor your employer, can offer any investment advice.

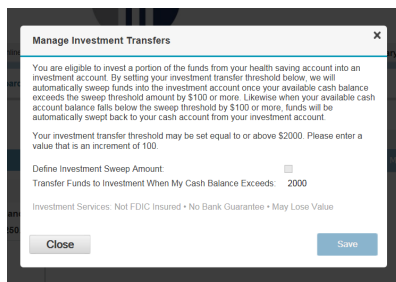
How to Transfer HSA Funds to Investment Account (must maintain \$2,000 min. HSA balance):

1. Log in to the TASC HSA Participant Portal: <https://Partners.tasconline.com/TASC1PPT>
2. Click **Make HSA Transaction** in left blue menu box.
3. Select "My HSA" in the *From* dropdown menu.
4. Select "HSA Investment Account" in the *To* dropdown.
5. Enter the dollar amount to be transferred.



Automatic Investment Transfer Threshold

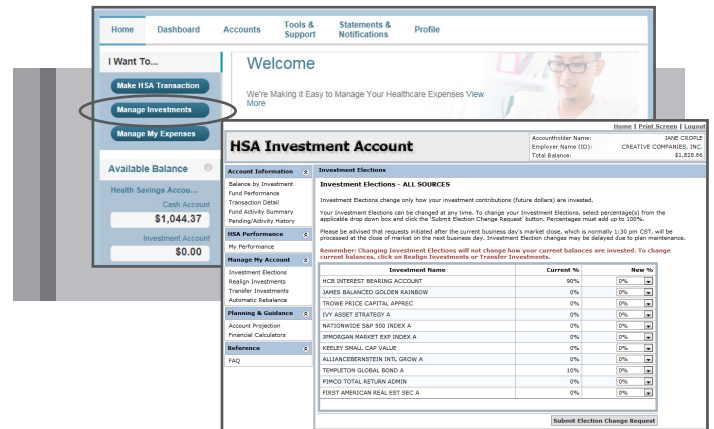
You may setup an automatic transfer on your account to automatically sweep a specified dollar amount from your HSA cash account to your investment account when it exceeds the minimum \$2,000 balance or higher.



Investment funds will be allocated among the mutual funds of your choice. You can also choose to have the money swept into a **Deposit Account**, which works much like a money-market account where the money is safer and provides a smaller interest rate return.

How to Set-Up/Change your Investment Elections:

1. Log in to Participant Portal.
2. On the Home page, click on **Manage Investments** in the blue menu box on left side of page.
3. Select **Investment Elections** in left side menu.
4. Select the mutual funds you wish to allocated your funds into by entering a percentage next to each selection.
5. Click on **Submit Election Change Request** to finalize your investment selections.

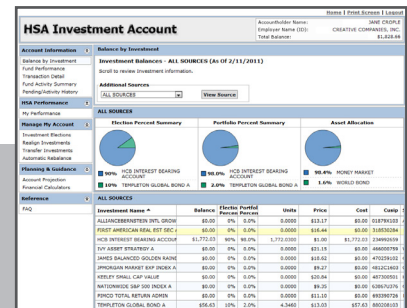


To setup an **Investment Transfer Threshold**, click on **Transfer Investments** and complete the information.

Managing Your Investment Account Online

The TASC HSA Participant Portal gives you complete control over your HSA investments to easily perform the following functions:

- View balance by investment.
- View fund performance.
- View transaction details.
- View fund activity and pending/activity summary.
- Realign and transfer your investment allocations.
- Set your investments to automatically adjust the balance.
- Use the tools to calculate the potential growth of your investments.



Contributions & Distributions

HSA Contributions

Your employer contributes your funds on a **pre-tax** basis each payroll based on your annual election amount. You may also make **after-tax** contributions to your HSA from your personal bank account online. To do so, you must setup an ACH for transfer of contributions and must have a valid email address entered with TASC.

You may add or update bank account information at any time.

Tax Year	IRS Maximum	Processed	Scheduled	Pending	Maximum Contribution Available
2016	\$6,750.00	\$0.00	\$1,375.00	\$0.00	\$5,375.00
2015	\$6,650.00	\$3,000.00	\$0.00	\$0.00	\$3,650.00

How to make a Post-Tax Contribution to your HSA:

1. Log in to the TASC HSA Participant Portal:
<https://Partners.tasconline.com/TASC1PPT>
2. Click *Make HSA Transaction* in left blue menu box.
3. Select your bank account in the *From* dropdown.
4. Select “My HSA” in the *To* dropdown.
5. Select the Tax Year: You may make a contribution between January 1 and April 15 to the prior tax year.
6. Enter the Contribution Amount.
7. Enter any Notes (optional).
8. Select the checkbox to “Agree” to the Terms.
9. Click *Add Contribution*.

After you add a contribution, the *HSA Cash Account Details* page appears where a confirmation displays.

Change of Payroll Contribution Elections

You may change your pre-tax payroll contribution elections during the Plan Year. Simply notify your employer of the change that you wish to make to your election and they will adjust your HSA contribution amount. In addition, each Plan Year Anniversary provides you the opportunity to change elections when re-enrolling for the next year.

HSA Distributions

You can request a tax-free distribution any time an eligible expense has been incurred. Distributions for reasons other than a qualified medical expenses (prior to age 65) are taxable and subject to a 20% penalty tax in certain circumstances.

Upon death, disability, age 65, or upon Medicare eligibility, HSA funds can be withdrawn for **non-medical** reasons *without* penalty but will be subject to income taxes.

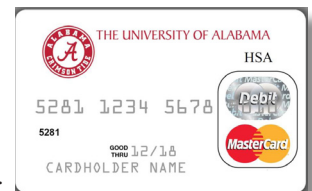
In the event of death, your TASC HSA funds will be distributed to your designated beneficiary.

Two Ways to Access Your HSA Funds

Conveniently pay for eligible HSA expenses using one of the following methods:

Option 1: TASC Card

As a feature of your TASC HSA you will be issued a benefits debit card (TASC Card) to facilitate the payment of eligible HSA expenses. The TASC Card looks like a typical debit card, but is used to purchase eligible healthcare expenses.



When using your TASC Card, the amount of the expense is automatically deducted from your available HSA balance and paid directly to the authorized provider at the point of purchase. Card purchases are limited to merchants with an inventory information approval system (IIAS) in place to identify HSA-eligible purchases.

Although the TASC Card auto-substantiates most transactions, it is your responsibility to make sure your purchases are for qualified healthcare expenses. Remember to save your receipts and retain with your individual tax return documentation.

For a lost or stolen TASC Card: Report the lost/stolen card to TASC immediately and request a replacement card online via the Participant Portal:

1. Go to Profile tab and select *Banking Cards* in left menu.
2. Click on *Report Lost/Stolen* under Debit Cards section and complete the requested information.
3. Go back to *Banking Cards* to select *Order Replacement* and complete the requested information. A reissue fee will be deducted from your HSA account balance.

To request an Additional TASC Card for Dependent: Complete the *Additional Card Request Form*, available at: www.tasconline.com/benefits-participant-materials

Contributions & Distributions (cont'd)

Option 2: Request a Distribution Online

Easily access funds in your TASC HSA account at any time via the Participant Portal to use for eligible expenses. Additional documentation may be required to substantiate the distribution so be sure to save your receipts.

Distribution Requirements

You may only request a distribution up to the current balance of your TASC HSA account. If funds in the account are insufficient, only the available balance in that account will be issued. The outstanding balance of the distribution request will not be reimbursed. An additional distribution request must be submitted once additional funds are available in the account to pay for any remaining balance.

Be sure to enter your current bank account information under your online Profile.

Expenses Eligible for HSA Distributions

Expenses are considered eligible for distribution from an HSA if the healthcare expense includes amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, and for treatments affecting any part or function of the body.

The expenses must be primarily intended to alleviate or prevent a physical or mental defect, or illness. In general, expenses solely for cosmetic care are not deemed as qualified medical care, nor are expenses that are merely beneficial to one's general health.

Appropriate HSA expenditures include Medicare insurance premiums (except Medicare Supplement policies), long-term care coverage, health coverage while receiving unemployment benefits, and healthcare continuation coverage required by federal law (known as COBRA coverage). HSAs may reimburse long-term care insurance premiums limited to the adjustment amounts under Section 213(d)(10), even when the HSA is offered through a Cafeteria Plan.

Refer to the *TASC HSA Eligible Expenses Flyer* for a summary list of eligible expenses, located at:

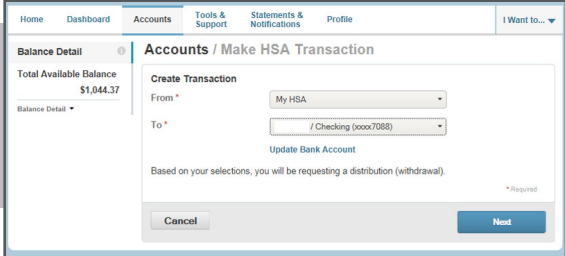
<https://www.tasconline.com/benefits-participant-materials>

IRS Publication 502, Medical and Dental Expenses (Section 213(d)) governs what is and is not eligible and includes a detailed list.

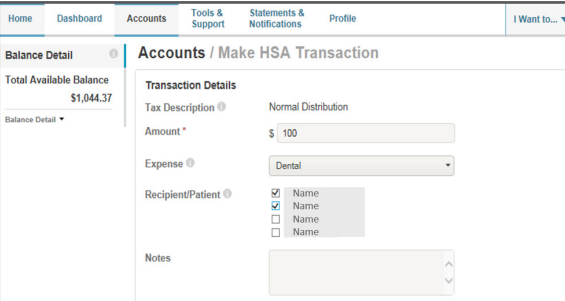
It is important that you retain pertinent documentation (receipts) regarding distributions from your TASC HSA.

How to Request a Distribution:

1. Log in to the TASC HSA Participant Portal:
<https://Partners.tasconline.com/TASC1PPT>
2. Click *Make HSA Transaction* in left blue menu box.
3. Select "My HSA" in the *From* dropdown.
4. Select an option in the *To* dropdown:
 - Personal Bank Account
 - Check (mailed to you)
 - Someone Else (see "Pay to Provider" option below)
5. Click *Next* to continue.



6. Select distribution frequency: One-time or recurring option (complete Schedule information). Click *Next*.
7. Enter the dollar amount you wish to distribute.
8. Enter the expense type, names of recipients, and any notes (optional). Click *Next*.

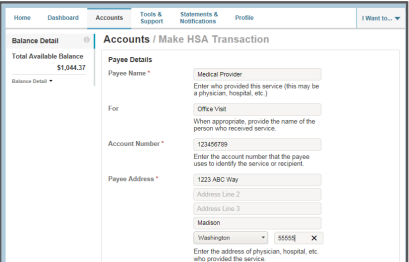


9. Review and "Agree" to the Terms. Click *Submit*. A confirmation page will appear.

Pay-to-Provider Distribution Option

TASC HSA allows you to request a distribution paid directly to a healthcare provider for an eligible expense.

Follow the same instructions as above, but in Step #4 select "Someone Else" and complete the "Payee Details" page.



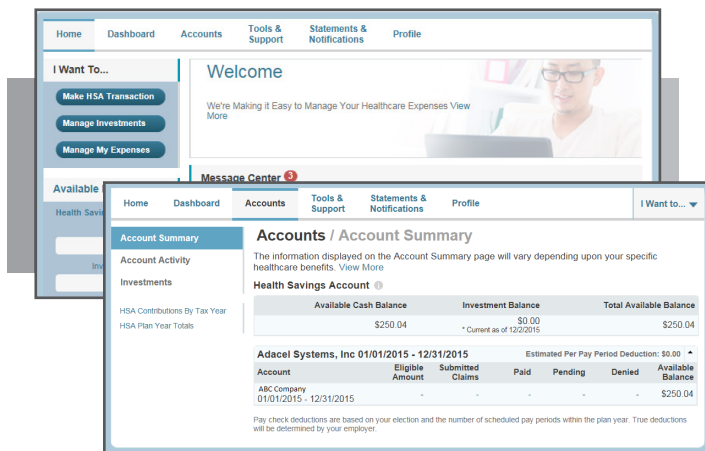
Plan Management & Renewal

Managing your TASC HSA is easy with our secure website available to you 24/7/365 and our free Mobile App!

Online Plan Management

In addition to making online Contributions and Distributions, you can log in to the Participant Portal any time to access your TASC HSA and Investment Account and perform any of the following functions:

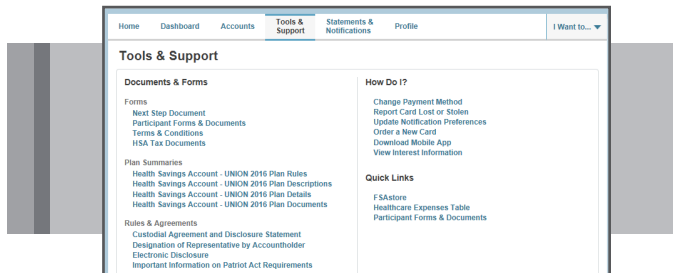
- Monitor account balances and transactions
- Change payment methods and bank accounts
- View statements and notifications
- Access important Plan documents and forms
- Update profile, dependents, and beneficiaries



Online Tools & Support

Multiple documents and forms associated with the TASC HSA are available on the Participant Portal to help understand and manage your account. Go to **Tools & Support** in the Participant Portal, or click the link below:

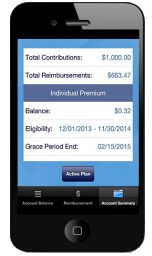
<https://www.tasconline.com/benefits-participant-materials>



Mobile App

Download the eflex app for free to your smartphone or tablet. Securely log in using your TASC username and password to conveniently access your TASC HSA account.

Search "Benefits by eflex" at:
Apple® App Store | Android Google Play™



Year-End Tax Forms

HealthCare Bank will send the following tax forms to any HSA account-owner with distribution and/or contribution activity during the previous Plan Year:

- **Form 1099-SA** - if distribution activity in prior Plan Year. (sent in January)
- **Form 5498-SA** - if contribution activity in prior Plan Year. (sent in May); HSA account-owners must report their contributions on **Form 8889** when filing their Federal tax return.

Customer Care Support

In addition to the Participant Portal, we have Customer Care Representatives who are ready to assist you with any questions you may have.

Customer Care Contact:

1-877-933-3539

7:00 am - 7:00 pm, Monday through Friday

1customercare@tasconline.com

Total Administrative Services, Inc.

2302 International Lane, Madison, WI 53704-3140

877.933.3539 | fax 877.231.1287 | www.Partners.tasconline.com/TASC1PPT

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