

PNC BENEFIT PLUS:

HEALTH SAVINGS ACCOUNT EMPLOYEE EDUCATION AND FAQs

The **PNC BeneFit Plus Health Savings Account (HSA)** is a great way to pay for healthcare expenses now or in the future. An HSA allows you to take control of your healthcare spending and save for qualified medical expenses on a tax-advantaged basis. It's easy – you can contribute money saved from your lower premiums into your Health Savings Account and let that money grow so you have the savings to pay your deductible or other qualified medical expenses when you need to.



HEALTH SAVINGS ACCOUNTS BENEFITS

Cost savings – When you choose a low-premium HDHP, instead of paying more to the health insurer, you can use those funds to make contributions to your HSA. The funds invested can help you to build financial security for retirement savings or to pay for unexpected medical events.

Ownership – You own your account and the money in the account, even if your employer contributes to it.

Tax savings – Benefit from tax-advantaged contributions, investment earnings and withdrawals for qualified medical expenses.^{1 2}

Long-term savings – Unused funds roll over from year-to-year. The balance in your HSA will generally grow tax-free with no pressure to use the full balance by year-end. You may be able to access unused balances to supplement retirement income after age 65, subject to applicable income taxes.²

Portability – Your money stays with you even if you switch jobs, change medical coverage, become unemployed or retire.



MANAGING YOUR HSA JUST GOT EASIER

PNC BeneFit Plus can make all aspects of managing your account easy with the following features:

Easy to open – You will receive a welcome email notification and/or letter with instructions on a few simple steps to activate your account.

Easy to make payments – Pay for qualified medical expenses in the way that's easiest for you:

- PNC BeneFit Plus debit card at the point-of-sale.
- Use the PNC BeneFit Plus Consumer Portal to make an online reimbursement from your HSA to a personal bank account
- Online BillPay - Pay a provider directly online



Easy to contribute – You can contribute via payroll deduction or you can also make scheduled or one-time contributions from your personal bank account, or mail personal check contributions to our P.O. Box.

Easy to grow – Your HSA includes an FDIC-insured deposit account (covered to the extent permitted by law) with tiered interest rates. Plus, you can choose to invest in a variety of mutual funds upon meeting certain minimum balance requirements and watch your money grow tax-free.³

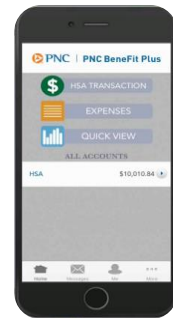
Easy to access – PNC offers several ways to help you manage your account(s):

- Online account access – Access your account balance and transaction history for your HSA via the PNC BeneFit Plus Consumer Portal and enjoy a robust set of notifications, including several text messaging options.
- Mobile – Manage your account(s) while on the go
- Telephone – Toll-free account owner customer service is available with the PNC BeneFit Plus Consumer Services from 8am – 8pm ET Monday-Friday, excluding holidays.
- Statements – View monthly electronic statements archived online reflecting both your Current Period and Year-to-Date balance and transaction information (paper statements mailed to your principal residence available for an additional nominal fee).



MOBILE CAPABILITIES

- Check balance information and view transaction details
- Request HSA distributions and make HSA contributions
- Utilize the “Expense Tracker” tool to upload receipts for record keeping
- Email customer service directly with questions
- The mobile app is compatible with Apple® devices (iPhone®, iPod touch®, iPad®) version 6.0 or higher and Android devices version 2.2 and higher.



FREQUENTLY ASKED QUESTIONS FOR HEALTH SAVINGS ACCOUNTS

What is a Health Savings Accounts (HSA)?

An HSA is designed to help you save for qualified medical expenses on a tax-advantaged basis. Additionally, you have the option to invest in a variety of mutual funds and grow your dollars tax-free upon reaching certain minimum balance requirements and withdraw your dollars tax-free as long as you use them for qualified medical expenses.

Who is eligible for a Health Savings Account?

Eligible individuals are those who are:

- Covered by an HSA qualified HDHP
- Not covered by other health insurance that provides the same benefits also covered by your HDHP
- Age 18 or older
- Not claimed as a dependent on someone else’s tax return
- Not enrolled in Medicare

How do I know if my health insurance plan is a qualified HDHP?

Various factors specified by the Department of Treasury, such as deductible amount and annual out-of-pocket expenses help to determine whether an insurance plan is a qualified HDHP. To find out if your insurance plan is a qualified HDHP, contact your employer if applicable.

Can I use my HSA to pay for medical expenses incurred before I set up my account?

No. You cannot be reimbursed for qualified medical expenses incurred before your account is established. We recommend you establish your account as soon as possible.

Does the HDHP have to be in my name to open an HSA?

No. The HDHP does not have to be in your name. As long as you have coverage under the HDHP you can be eligible for an HSA (assuming you meet the other eligibility requirements for contributing to an HSA). You can still be eligible for an HSA even if the HDHP is in your spouse’s name.

I don't have health insurance, can I get an HSA?

Unfortunately, you cannot establish and contribute to an HSA unless you have coverage under an HDHP.

I'm on Medicare, can I have an HSA?

You're not eligible for an HSA after you've enrolled in Medicare. If you had an HSA before you enrolled in Medicare, you can keep it. However, you cannot continue to make contributions to an HSA after you enroll in Medicare.

Does my income affect whether I can have an HSA?

There are no income limits that affect HSA eligibility.

When can I start contributing to my HSA?

You may not begin contributing to your HSA until the effective date of your HDHP coverage.

How much can I contribute to my HSA?

The Department of the Treasury establishes limits on annual contributions to these accounts that may change each year. To find the most up-to-date information please visit the [IRS Publication 969](#) or <http://www.irs.gov/pub/irs-pdf/p969.pdf>.

Will I be notified if I've exceeded my allowable contribution amount?

Yes. You will receive notice stating that you are attempting to exceed the IRS allowable contribution limit.

Who can contribute to my HSA?

Contributions to your HSA can be made by your employer, by you or by both. All contributions are aggregated to determine whether you contributed the maximum allowed.

I'm over the age of 55, can I make "catch-up" contributions?

Yes. Individuals age 55 and older who are covered by an HDHP and have an HSA can make "catch-up" contributions each year in amounts set by the Department of Treasury. Please visit [IRS Publication 969](#) (available at <http://www.irs.gov/pub/irs-pdf/p969.pdf>) for the most up-to-date information.

Can couples establish a "joint" account and both make contributions to the account, including "catch-up" contributions?

"Joint" HSA accounts are not permitted. Each spouse should consider establishing an HSA in his or her own name. This allows each of you to make catch-up contributions when you reach the age of 55.

Does my HSA pay for the same things as regular insurance?

HSA funds can only be used to pay for qualified medical expenses.

How do I know what is included as a "qualified medical expense"?

You're responsible for deciding whether an expense is a "qualified medical expense" and being familiar with what qualified medical expenses are by reviewing a partial list provided in [IRS Publication 502](#) (available at <http://www.irs.gov/pub/irs-pdf/p502.pdf>). You should also keep your receipts in case you need to justify your expenditures or decisions during an audit.

Should I keep my receipts?

Yes. You should keep receipts in the event of an audit – you can use the Expense Tracker tool in the PNC BeneFit Plus Consumer Portal or mobile app to warehouse your receipts and simplify your record-keeping.

What happens if I use HSA funds for nonqualified expenses?

If HSA funds are used for expenses other than qualified medical expenses, the amount withdrawn will be subject to income tax and, individuals who are not disabled or over age 65 will also be subject to a tax penalty.

Can I use the money in my HSA to pay for medical care for a covered family member?

Yes. You may withdraw funds to pay for the qualified medical expenses of yourself, your spouse or a dependent without tax penalty.

What happens to the money in my HSA if I lose my HDHP coverage or enroll in Medicare?

Funds deposited into your HSA remain in your account and automatically roll over from one year to the next. You may continue to use the HSA funds for qualified medical expenses. You are no longer eligible to contribute to an HSA for months when you are not covered by an HDHP or because you enrolled in Medicare.

What happens to the money in a Health Savings Account after I turn age 65?

Once you turn age 65, you can continue to use your account tax-free for out-of-pocket medical expenses. You can also use your account to pay for things other than qualified medical expenses. If used for other expenses, the amount withdrawn will be taxable as income but will not be subject to any other tax penalties. If you have retiree health benefits through your former employer, you can also use your HSA to pay for your share of retiree medical insurance premiums. The one expense you cannot use your HSA for is to purchase a Medicare supplemental insurance or "Medigap" policy.

For more information:

- Visit pnc.com/pncbenefitplus
- Call PNC BeneFit Plus Consumer Services at 844-356-9993
- Contact your employer

¹To view a partial list of qualified medical expenses see [IRS Publication 502](http://www.irs.gov/pub/irs-pdf/p502.pdf) available at <http://www.irs.gov/pub/irs-pdf/p502.pdf>

²PNC does not provide legal, tax or accounting advice. Consult your tax advisor about tax benefits applicable to Health Savings Accounts.

³Shares of mutual funds are not deposits or obligations or guaranteed or endorsed by any bank, nor are they federally insured or otherwise supported by the Federal Deposit Insurance Corporation or other government agency. Investments in mutual funds may lose value, including possible loss of principal. Please read the prospectus carefully before you invest. Investments **Not FDIC Insured. No Bank or Federal Government Guarantee. May lose value.**

⁴To review annual IRS contribution limits for HSAs, please see [IRS Publication 969](http://www.irs.gov/pub/irs-pdf/p969.pdf) or visit <http://www.irs.gov/pub/irs-pdf/p969.pdf>.

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