

organization to accept the return of a mistaken distribution.

- If you are able to return a mistaken distribution, you will need to provide the IRS with clear and convincing evidence that the HSA distribution was the result of a mistake of fact due to reasonable cause.

How do I check my HSA account activity?

- Online access
- Monthly mailed statements
- Call us at (618) 327-4401

How is HSA activity reported?

- Each year your HSA custodian / trustee reports to the IRS on Form 5498-SA
- Contributions made to your HSA reports to the IRS on Form 1099 SA

What happens at death?

- An HSA owner may name a beneficiary to inherit HSA assets after his/her death
- If there are no beneficiaries, then assets will go to his/her estate



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Immediate Benefits of an HSA

Financial savings at fees you can afford:

- You can pay for day to day medical expenses with pre-tax dollars
- The cost between a high deductible plan and your current health insurance policy can be substantial.

Long Term Savings:

- Opening an account now will allow you to take advantage of the time value of money as you accumulate funds towards your long term savings.

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HEALTH SAVINGS ACCOUNTS

What is an HSA?

A Health Savings Account (HSA) is an account established by an individual to pay medical expenses. HSA's allow you to pay for medical expenses on a tax-favored basis. Contributions are tax-deductible and eligible distributions are tax-free. You control the money in your HSA. You can use it to pay for eligible medical expenses for you or your family tax-free. Money you do not spend can carry forward to future years. You can even use the money penalty-free after age 65 for any purpose you would like. HSA's are offered in conjunction with a high deductible health insurance policy. The high deductible policy provides protection against major medical expenses. The HSA is used to pay for day to day medical expenses.

Am I eligible?

To be eligible for an HSA, you must be:

- Covered under a high deductible health plan (HDHP). Please check with your insurance agent.
- Not also covered by any other plan that is not a high deductible health plan (HDHP)
- Not entitled to Medicare benefits
- Not claimed as a dependent on another persons tax return

How much can I contribute?

You are allowed to contribute up to the annual maximum amount as long

as you are enrolled in a high deductible health plan (HDHP). The amount that you can contribute is determined by:

- Self only Coverage
- Family Coverage
- You are eligible to make “catch up” contributions if you meet the eligibility requirements for regular and are age 55 or older by the end of your taxable year and are not enrolled in Medicare.
- HSA account balances automatically carry over from year to year for use for future medical expenses.

What are eligible medical expenses?

Examples of eligible medical expenses include:

Doctor visits and checkups, hospital expenses, prescription drugs, optical care, dental care and limited reimbursement for mileage, travel and lodging for medical purposes.

What are an HSA owner's responsibilities?

- **Recordkeeping:** You should keep receipts and a record of your expenses
- **Reimburse yourself.** You can pay for eligible medical expenses out of other funds and then reimburse yourself from the HSA.

How do I claim a federal deduction?

- Contributions to an HSA are fully deductible, the earnings grow tax deferred, and distributions to pay or reimburse qualified medical expenses are tax free.

- You may deduct contributions made by anyone other than your employer as long as they do not exceed the maximum annual contribution amount.
- Rollovers and transfers from HSA's, IRAs, medical savings accounts, health reimbursement arrangements and health flexible spending accounts are not deductible.

When is the contribution deadline for funding an HSA?

The deadline for regular and “catch up” HSA contributions is your federal income tax return due date, excluding extensions, for that taxable year.

How are HSA distributions taxed?

- The qualified medical expenses must be incurred after the HSA has been established.
- HSA distributions used exclusively to pay for or reimburse qualified medical expenses incurred by you, your spouse or your dependents are not included in gross income.
- HSA custodians/trustees are not required to determine whether HSA distributions are used for qualified medical expenses.

Can I return a mistake distribution?

If you mistakenly distribute assets from your HSA, you may be able to return the assets to the same HSA. However, the law does not require a financial