

HEALTH SAVINGS ACCOUNTS

# Save *for your* Health

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save more for your health expenses.



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The Medicare Bill of 2003 contains smart medicine for savvy investors in the form of Health Savings Accounts (HSA), tax-advantaged investment accounts for individuals or families with a High Deductible Health Plan (HDHP).<sup>\*</sup> With your HSA, you'll receive triple tax savings<sup>\*\*</sup> when you contribute to your account, when you earn interest on your account and when you withdraw from your account to pay for qualified medical expenses. What's more, there's no "use-it-or-lose-it" restriction. Unused funds in your HSA will continue compounding interest year after year.

## Answers to Common HSA Questions

### I'm interested in HSA. Am I eligible?

You must be covered by an HDHP to take advantage of this investment. Since an HDHP usually has lower premiums than traditional health-care coverage, you can put these savings into your HSA.

### Can you explain more about HDHPs?

Of course. An HDHP is commonly called a "catastrophic" health insurance plan. An HDHP is a less expensive health insurance plan that usually doesn't start coverage until you reach a high deductible-- for 2014 and on, the minimum deductible is \$1,250 for individuals and \$2,500 for families. You can't be covered by Medicare or any other health plan, or be claimed as a dependent on another taxpayer's form 1040 and tax return.

### Will my family be covered by my HSA?

Yes, if you'd like. You may withdraw funds from your HSA to pay for qualified medical expenses for your spouse or child, but you cannot set up a separate account exclusively for your spouse or a dependent.

### What do you mean by "qualified expenses"?

As a rule of thumb, most expenses covered by traditional insurance plans are covered by your HSA. You may download a list of eligible items at any time via a search at [www.irs.gov](http://www.irs.gov).

### How does my HSA work after I retire?

These accounts complement IRAs, Social Security and Medicare quite nicely. Once you enroll in Medicare, you may not make tax-free distributions to pay for qualified expenses.

### How do I sign up?

Contact any Community Bank & Trust account executive. Call 319 291.2000 today!

## Community Bank & Trust HSA Account features:

- Account held at Community Bank & Trust
- No minimum balance
- No monthly maintenance fees
- Free Visa Check Card for HSA purchases
- Access to Online Banking and eStatements required<sup>\*\*\*</sup>
- Free first box of checks

<sup>\*</sup>No external investment options available

<sup>\*\*</sup>Consult your tax advisor

<sup>\*\*\*</sup>Special exceptions made upon requests

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