



REBA's Frequently Asked Questions about the Citizens Bank Health Savings Account

REBA is making available to our membership Health Savings Accounts (HSAs) through Citizens Bank. As a REBA member you can enjoy the advantages of tax-advantaged savings for medical expenses. Below is a list of frequently asked questions that may help you in your HSA decision.

Q: What is a Health Savings Account?

A: A Health Savings Account or HSA is a savings account that works in conjunction with a High-Deductible Health Insurance Plan (HDHP). HSAs were established by the US Government to help pay for qualified medical expenses on a tax-free basis.

Q: Am I eligible for a HSA?

A: You are eligible for a HSA account if you:

- Have an HSA compatible health plan - HDHP
- Are NOT covered under Medicare Part A or B
- Are NOT covered under another health plan (unless that other health plan is HSA compatible).
- Are NOT claimed as a dependent on another person's tax return

Q: What are the tax benefits of a HSA?

A: HSAs are considered "triple tax-advantaged". Contributions are tax-exempt or tax-deductible, accumulated interest and earnings are tax free, and distributions for qualified medical expenses are tax-free. State taxes may apply – consult your tax preparer for more information.

Q: Are there any other benefits of a HSA?

A: There are many additional benefits including:

- Employer contributions are exempt from payroll taxes
- Accounts can move from employer to employer
- Accounts balances can "roll over" year-to-year
- Accounts are managed by the account holder and not the employer
- Accounts are FDIC insured
- Interest is paid monthly on balances in the account – averaging 1%-2.35% (as of May 1, 2009)
- Online bill pay, e-statements and debit cards are available

Q: What are qualified medical expenses?

A: Your HSA can be used to pay for qualified medical expenses that apply towards your deductible. Additionally, you can pay for qualified medical expenses that your health plan does not cover. For a complete list of qualified medical expenses, go to the IRS web site at www.irs.gov and enter the phrase 502 in the 'search box' on the home page.

Q: How much am I able to contribute to my account each year?

A: HSAs contributions limits are determined by insurance coverage – family or individual coverage. You and/or your employer can contribute up to a combined \$3,000 for an individual plan in 2009, and \$5,950 for a family plan. If you are over 55 years old, you can contribute an additional \$1000 as a catch up contribution. You have until April 15 to make previous years contributions. Please note that the IRS typically makes updates to these limits each July for the next tax year.



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Q: Who can contribute to my HSA account?

A: HSA contributions can be made by any eligible individual. For employer sponsored HSA, the employee, the employer or both may contribute to the HSA.

Q: How do I make contributions to my HSA account?

A: You can use the deposit coupons supplied in the Welcome Kit to send in a contribution to your HSA account. Please call 1-888-SV4HLTH (784-4584) to order more deposit coupons. Pre-tax contributions can be made through your employer through payroll deductions. You need to inform your employer the amount you want to contribute, and provide your account number and Citizens Bank's routing/transit number (021372940)

Q: What happens if I over contribute to my HSA account?

A: Citizens Bank will send you an over contribution notice requesting you to call the Citizens HSA PhoneBank. It is important to note that the IRS imposes a penalty on excess contributions, but allows, under certain conditions, for corrective distributions to be made. Please call 1-888-SV4HLTH (784-4584) to speak with a customer service representative. Additionally, you would be required to pay tax on the dividends earned on the excess funds. Consult a tax professional for your individual situation.

Q: What happens if I don't use all of the money in my HSA account this year?

A: If you do not use all of the money in the account this year, the balances will be rolled over to the following year(s). You can use those funds for future qualified medical expenses provided you are covered under a HDHP. You may choose to keep your savings until age 65 and withdraw the accumulated saving and pay ordinary income tax.

Q: How do I pay for my medical expenses?

A: **Every account holder will receive up to two (2) Citizens Bank HSA Debit MasterCard®. You may pay at the doctor's office or pharmacy wherever MasterCard is accepted. In addition, Citizens offers online bill pay and check payment options. For more information go to <http://employee.citizensbankhsa.com>.**

Q: What are my responsibilities as an account holder?

A: It is each individual account holder's responsibility to ensure HSA contributions do not exceed maximum limits. It is account holder's responsibility to make sure distributions are for qualified medical expenses to meet tax-deductibility requirements. With access to online bill pay, checks and debit card, the account holder can withdrawal funds at any time.

Q: What happens if I no longer participate in a high-deductible health plan(HDHP)?

A: **If you are no longer participating in a HDHP,**you can neither contribute to your HSA account nor pay for medical expenses under new insurance. You can continue to let your account accumulate earnings and at age 65 use the funds and pay ordinary income tax. Consult a tax professional for your individual situation.

Q: What happens if I am no longer a member REBA?

A: If you are no longer a member of REBA, but continue to participate in a HDHP, you can continue contributing to your HSA account; however, you monthly fees may be affected. Review your fee and feature schedules for any applicable fee changes.



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Q: What happens to any HSA funds in my account should I die?

A: In the event of your death, any remaining funds in your HSA account will be distributed to the designated beneficiaries that you indicated on your application.

Q: How do I enroll in a Health Savings Account?

A: Go to <http://www.reba.net>, click on the Citizens Bank logo to go to the Enrollment website. There is a step by step guide provided on site that will assist with the enrollment.

Q: What is an HSA plan number?

A: The HSA Plan number identifies you as a REBA member and provides you with the advantages of being a REBA member. You will need this plan number to apply for a health savings account online.

Q: Where do I get my HSA plan number?

A: Your REBA HSA plan number is available once you have logged onto www.reba.net as a REBA member.

Q: Is there someone I can call if I have questions when I am trying to enroll?

A: Yes, you may call the Citizens Bank HSA PhoneBank at 1-888-SV4HLTH (784-4584), Monday through Friday, from 8 AM – 8 PM ET. Please indicate that you are a REBA (Real Estate Bar Association) member.

Q: How do I know if my employer is participating in a High Deductible Health Plan Health Savings Account offering through the Real Estate Bar Association?

A: Ask your company's benefits coordinator for specific health plan information.

Q: How can I get my company to participate in the REBA/Citizens HSA program?

A: You can set up an HSA program directly with Citizens Bank if you have 50 or more employees. If not, we suggest using the offer that REBA has created. If your law firm has 50 or more employees, please call Jeff Regan at 617-994-7183 or via email at jeffrey.regan@rbs.com.

Q: I am a REBA member but do not know my REBA membership ID.

A: Contact Andrea Hardy at 617-854-7555 or via email at hardy@reba.net.