



Healthcare solutions for your employees

Health Savings Accounts



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Health Savings Accounts for Employees

The increasing cost of health care is becoming a financial burden to employers and employees alike. Health Savings Accounts (HSAs) are a great solution for businesses struggling to keep costs reasonable for both themselves and their employees. An HSA is a flexible, tax-advantaged account that enables your employees to take control of their health and their savings. Adding an HSA-compatible health plan to your companies' benefits package may be a good solution for your company and employees.

About High Deductible Health Plans (HDHP)

To be eligible for an HSA, an individual must be covered by an HDHP. Sometimes referred to as a "catastrophic" health insurance plan, an HDHP is an inexpensive health insurance plan that generally doesn't pay for the first several thousand dollars of health care expenses (deductible) but will cover medical expenses after the high deductible is met. A health plan is HSA-compatible if it satisfies annual deductible and out-of-pocket expense dollar limits. An HSA is available to help pay for the expenses that an HDHP does not cover. For 2011, Federal law defines an HDHP as having the minimum annual deductible of \$1,200 (self-only coverage) or \$2,400 (family coverage). In addition, the HDHP maximum annual out-of-pocket expenses cannot exceed \$5,950 for individual coverage and \$11,900 for family coverage.*

**Preventive care need not be subject to the minimum annual deductible. The limit for maximum out-of-pocket expenses includes deductibles, co-payments, and other amounts, but not premiums.*

What are the Benefits of an HSA?

A Health Savings Account (HSA) is an interest-bearing savings tool similar to an IRA that allows your employees to save for future medical expenses. Eligible individuals can make tax-deductible contributions to their HSA, and funds can be withdrawn tax-free when used for qualified medical expenses.

A Health Savings Account offers individuals with High Deductible Health Plans (HDHPs) an affordable alternative to the high cost of healthcare. An HSA offers many benefits, including the ability to keep the money and save towards retirement.

By offering your employees a Republic Bank Health Savings Account in conjunction with a compatible high deductible health plan from your health insurance provider, employees and employers both benefit.



Employer Benefits

- **Control Premiums** – Monthly premiums for an HDHP are significantly lower for both the employer and for the employee. Premiums also increase at a much slower pace when compared to traditional insurance.
- **Flexibility** – Both employees and employer have the ability to contribute to their HSA.
- **Affordability** – Reduce or control your organization's spending on healthcare benefits.
- **Healthier Employees** – A major focus of High Deductible Health Plans is prevention. Many plans come with preventive care benefits which encourage people to get their yearly check-up and exams for zero or little charge. An ounce of precaution goes a long way and will lead to healthier employees.
- **Less administration** – Unlike an FSA, an HSA is the employees' personal account run solely by them. Since it is not controlled by your company, there is less administrative work for you.
- **Participation** – offering a more affordable health plan may result in a higher employee participation rate.
- **Tax Savings** – Save on Social Security and Medicare taxes by offering pretax payroll deductions for employees to contribute to HSAs*

**Please consult your tax advisor.*

Employee Benefits

- **Flexibility** – Your employees can use money from their HSA to pay for a variety of healthcare-related expenses, or they can choose to save dollars for future use.
- **Ownership & Control** – Using an HSA, your employees can decide how much money (up to certain limits) to contribute each year.
- **Peace of Mind** - Your employees will have the comfort of knowing that the money in their HSA is theirs and will follow them wherever they go. Unlike the FSA, an HSA has no use-it-or-lose-it policy. Unused funds in the account will rollover each year and continue to earn interest.
- **Affordability** – High deductible health plans usually have lower premiums than health insurance with lower deductibles, saving your employees money.
- **Long-term & Tax Savings** – A Republic Bank HSA is an FDIC-insured, interest-bearing deposit account in which contributions and interest that accumulate over the years can be used tax-free for qualified healthcare expenses later in life.
- **Tax Benefits** – When coupled with a Health Savings Account, an HDHP can have significant tax benefits. All contributions, including those made by the employer, are tax-free and can be deducted on federal tax returns. Individuals do not pay taxes on withdrawals as long as they are used to pay for qualified healthcare expenses.*

**Please consult your tax advisor.*

Republic Bank Can Help Your Company with its Health Savings Account Program

There are many reasons to let us serve you and your employees' Health Savings Accounts. Not only are we one of the largest locally owned community banks and a financially stable institution, we also offer a product that is impossible to beat. Here is why:

- **Service** – Switching over to an HSA-eligible plan can seem like a daunting task but it doesn't have to be. We have Treasury Management specialists that will work with you and guide you through the entire process.
- **Communication Materials** – In order to make your company's HSA Program successful, Republic Bank offers clear and simple communications to your employees. Brochures and other presentation materials have been developed and are available to you to communicate the benefits of an HSA to your employees.

Features of the Republic Bank Health Savings Account

The Republic Bank HSA is a personal checking account, and provides your employees with many of the same features offered in our traditional checking accounts, including:

- No minimum balance required.
- No set-up fee.
- No transaction fees.
- Free Republic Bank CheckCard.
- Free Internet Banking, Mobile Banking, Online Statements and Online Bill Pay.
- Competitive tiered-rate interest.
- No minimum opening deposit.
- Nominal monthly account maintenance fee.



Using the HSA Account

Using the funds that your employees have contributed to their HSA is simple. A Republic Bank HSA can be accessed in several ways:

- **CheckCard**: Account holders receive a Republic Bank CheckCard that can be used at qualified MasterCard locations. Debits are deducted straight from the HSA. Many medical services providers accept MasterCard for payment.
- **Check Writing** – The Republic Bank HSA provides checks to pay for medical expenditures from the HSA.



Opening an HSA at Republic Bank

- Your employees can visit any of our banking centers to fill out an application to open an HSA, or your Treasury Management officer will guide them through the process.

For More Information

Please contact one of our Treasury Management representatives for more information on offering a Health Savings Account Program to your employees.

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We are here for you today.

We will be here for you tomorrow.®