alltru.
CREDIT UNION

Alltru Health Savings Account

EDUCATION & ENROLLMENT PACKET

A health savings account (HSA) is a tax-advantaged checking account that gives you the ability to save for future medical expenses or pay current ones. It is individually owned; however, you may elect to designate an authorized signer who may also withdraw funds and be issued a debit card.

HSA Eligibility

To be eligible to make deposits to an HSA, the account holder:

- Must be currently enrolled in an HSA-qualified health plan
- May not be enrolled in any other non-HSA qualified health plan
- May not have, or be eligible to use, a general purpose flexible spending account (FSA)
- Cannot be claimed as a dependent on another person's tax return
- May not be enrolled in Medicare, Medicaid or Tricare
- Must not have used VA medical benefits in the past three months, with the exception of preventative services or treatment for a service-connected disability

Contributions to your HSA

The annual maximum allowable contributions to an HSA, as established by the IRS, for 2025 are $4,300: Individual and $8,550: Family.

Individuals 55 and older can make an additional catch-up contribution of $1,000. A married couple can make two catch-up contributions if both spouses are eligible. The spouses must deposit the catch-up contributions into separate accounts. The annual maximum contribution is based on a calendar year and there is no limit to the dollar balance that can build in the account over time. Contributions can come from:

- Employee pre-tax payroll withholding
- Employer contributions (non-taxable income)
- Individual contributions from account owner or other individual (tax-deductible for account holder)
- IRA or Roth IRA rollover (can only be done once in a lifetime)

Distributions from your HSA

- You, or an authorized signer, can make withdrawals (or distributions) for qualified expenses.
- Distributions from your HSA can be made by check, debit card, ATM, online transfer or bill payment or by in-person request.
- Distributions for qualified medical expenses are tax free.
- Distributions made for anything other than qualified medical expenses are subject to IRS tax plus a 20% penalty. The penalty is waived if the account owner is 65 or older, or due to death or disability.
- Qualified medical expenses for your spouse and your tax dependents may be paid from your HSA, even if those individuals are not covered under your high-deductible health plan (HDHP).
- You're responsible for keeping receipts for all distributions from your HSA. The bank does not monitor how the funds are spent.

Advantages of an HSA

Portability

Keep 100% of the funds deposited with you when you retire or change employers. You are the account owner.

Flexibility

You can choose whether to spend the money on current medical expenses, or you can save your money for future use. Unused funds remain in the account from year to year and there is no "use it or lose it" provision.

Tax Savings

Contributions are tax free (pre-tax through payroll deductions or tax deductible). Earnings are tax free. Funds withdrawn for eligible medical expenses are tax free.

Premium Savings

An HSA-qualified insurance plan tends to be less expensive than a traditional insurance plan.

Allowable Expenses

To be a qualified medical expense, the expense has to be primarily for the diagnosis, cure, mitigation, treatment or prevention of disease. It must be to alleviate or prevent a physical or mental defect or illness. These expenses may or may not apply to your insurance deductible depending on the coverage provided by your medical plan.

Vision and dental expenses, such as glasses, contact lenses, eye exams, dental cleanings and orthodontia are all allowable expenses from your HSA. Medical supplies and over-the-counter medications such as Band-Aids, crutches, test strips, aspirin, allergy medicines and even contact solution are allowable.

Insurance premiums are allowable only under the following circumstances: while receiving federal or state unemployment benefits, COBRA premiums, qualified long-term care insurance premiums and Medicare and other health care premiums after age 65 (with the exception of Medicare supplement policies such as Medigap).

Examples of Allowable Expenses:

- Acupuncture
- Alcoholism Treatment
- Ambulance
- Bandages
- Birth Control Pills
- Breast Reconstruction
- Car Hand Controls (for disability)
- Chiropractors
- Christian Science Practitioners
- Contact Lenses
- Crutches
- Dental Treatment
- Dermatologist
- Diagnostic Devices
- Disabled Dependent Care Expenses
- Drug Addiction Treatment (inpatient)
- Eyeglasses
- Fertility Enhancement
- Guide Dog
- Gynecologist
- Hearing Aids
- Home Care
- Hospital Services
- Laboratory Fees
- LASIK Surgery
- Lodging (for out-patient treatment)
- Long-Term Care
- Meals (associated with receiving treatments)
- Medicare Deductibles
- Menstrual and Feminine
- Hygiene Products[1]
- Nursing Care
- Nursing Homes
- Obstetrician
- Operations
- Ophthalmologist
- Optician
- Optometrist
- Organ Transplant (including donor's expenses)
- Orthodontia
- Orthopedist
- Over-the-Counter Medications[1]
- Oxygen and Equipment
- Pediatrician
- Personal Care Services (chronically ill)
- Podiatrist
- PPE: Masks, Hand Sanitizer and Sanitizing Wipes[2]
- Prenatal Care
- Prescription Drugs
- Prescription Medicines
- Prosthesis
- Psychiatric Care
- Qualified Long-Term Care Services
- Smoking Cessation Programs
- Surgeon/Surgical Room Costs
- Therapy
- Transportation Expenses for Health Care Treatment
- Vaccines
- Vitamins (if prescribed)
- Weight Loss Programs (certain expenses if diagnosed by physician)
- Wheelchair
- Wig (for hair loss from disease)
- X-Rays

Non-Allowable Expenses

Insurance premiums are not eligible expenses (exceptions listed above). Costs associated with non-medically necessary treatments are not eligible. This includes cosmetic surgery and items meant to improve one's general health (but which are not due to a specific injury, illness or disease) such as health club dues, gym memberships, vitamins and nutritional supplements.

Examples of Non-Allowable Expenses:

- Advance Payment for Future Medical Expenses
- Automobile Insurance Premium
- Baby-sitting (healthy children)
- Commuting Expenses for the Disabled
- Controlled Substances
- Cosmetics and Hygiene Products
- Diaper Service
- Domestic Help
- Electrolysis (hair removal)
- Funeral Expenses
- Hair Transplant
- Health Club/Gym Memberships
- Household Help
- Illegal Operations and Treatments
- Illegally Procured Drugs
- Maternity Clothes
- Nutritional Supplements
- Premiums for Accident Insurance
- Premiums for HSA Qualified Health Plan (prior to age 65)
- Premiums for Life or Disability Insurance
- Scientology Counseling
- Teeth Whitening
- Travel for General Health Improvement
- Tuition in a Particular School for Problem

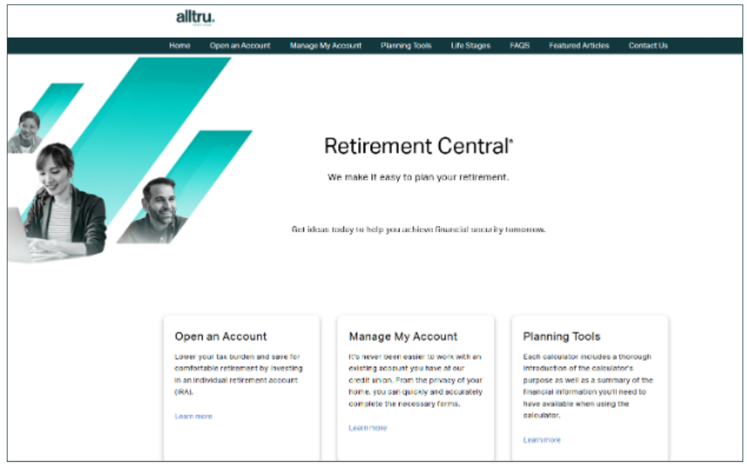
1. Per CARES ACT—No prescription needed. Effective 1/1/20.
2. For the primary purpose of preventing the spread of COVID-19. Effective 1/1/20

Opening Your HSA Online

Required Information

- Unexpired government-issued ID for account holder and authorized signer, if elected will be required as part of the final application completion. This can be a driver's license, state-issued ID, passport or military ID.
- Name and date of birth of your beneficiaries.
- Social security number and date of birth for authorized signer, if elected.
- A valid email address to sign digital documents.

How to Open Your Account



1. Go to **alltrucu.org > Savings > Health Savings Account (HSA).** Click **Open Online.**

2. The internet browser notice will appear. Click **Continue to Site.**

3. Now you are on the Retirement Central Portal.

4. Click on **Open an Account,** then scroll down to the bottom of the page and select "Health Savings Account" and hit **Continue.**

5. Click **Continue** and complete enrollment. **Under owner info** leave the Fin Organization account number blank.

   a. Contribute Money page please select "No, submit application" and then select the Health Savings Account (HSA).

   b. Check the acknowledge box and then go to **Review and Sign** page under B. please select "I wish to sign my forms using the electronic signature process". If you would like a Debit card for your HSA, please use the leave comment section and type in "Debit Card". Then complete with your name and click Submit Signature to complete the application process.

   c. Check the box "I want my fin org to send me a copy of the above forms" and click next. Then go to the verify your identity step and verify your information and click "I agree" . This will complete this portion of the account opening.

   d. Use the Leave a Comment section to advise if this will be a Single or Family plan.

A primary savings will be opened on your behalf to establish a membership with Alltru. There will be a soft credit pull for membership. The MSR form will be a separate document, but it will be included in the docusign packet you recieve to sign.

6. Within 3 business days you will receive and email from Alltru with a link to upload your ID to finalize your application. If your current address is not listed on your ID, please use the same link and load a utility bill for proof of address.

7. Once we receive your ID, we will then send out Docusign that will include, all final HSA documents, Welcome letter, New account disclosures and the MSR form that they will need to docusign for the Primary savings. Once complete you can print or save all documents for your records.

8. If you request a debit card, it will be mailed separately.

Online Banking & eStatements

Your welcome letter contains your new HSA number along with instructions for accessing your new account through online and mobile banking at Alltru. To avoid the paper statement fee, be sure to follow the instructions in the welcome letter to elect eStatements. If you'd like assistance using these services, please call our Member Service team at 636-916-8300.

Retirement Central Features

Visit https://www2.iraservicecenter.com/rc/?OrgNbr=160194 for helpful tools and information.

Under **Planning Tools,** find:

- **Calculators** to allow comparisons between a high-deductible plan with an HSA to a traditional plan and calculate the future value of an HSA.

Under **Manage My Account,** find:

- **Forms** for making changes to your account, such as: Beneficiary Change Form, HSA Transfer Form, and Contribution request or Distribution request. All other contact info update requests can be submitted electronically through Alltru's online banking or mobile banking app.
- **Documents** such as informational flyers including HSAs and Medicare, HSAs and Retirement and many others.

Under **FAQs,** find:

- Frequently asked questions about HSAs

Under **Featured Articles,** find:

- Articles featuring different HSA topics including maximizing your HSA savings, beneficiary options, and more.

HSA to HSA Transfers

If you have an HSA balance at another institution you would like to transfer:

- Open your HSA Checking account first and wait until you receive the welcome letter in the mail with your new account number.
- Complete and submit our **HSA Transfer Form**—located in the **Manage My Account** section of the Retirement Central website.

HSAs at Tax Time

You'll receive Form 1099 SA for your distribution total and Form 5498 SA for your contribution total for the previous year. These figures are reported to the IRS and you are required to report them on IRS Form 8889 when filing your federal taxes. See IRS Publication 969 or consult your tax advisor for further information.

You may make contributions to your HSA for the previous calendar year up to the tax filing deadline, which is normally April 15. You will receive Form 5498 SA in May with your complete contribution total to keep with your tax records.

Prior Year Deposits: Prior year contributions should be clearly communicated to Alltru personnel either in person or through Retirement Central. Deposits made at an ATM machine, remote deposit using a mobile phone, electronic transfers made using any method or those that are not specifically communicated to Alltru personnel, will automatically be processed as a current year contribution.

Insurance Coverage Changes

If you start an HSA-qualified health plan mid-year, you may contribute the full annual maximum to your HSA. However, a testing rule applies to those that start an HDHP any time other than January 1. Per the IRS, you must remain an HSA-eligible individual through December 31 of the next calendar year. If you're not sure you'll remain on the plan, you may want to pro-rate your contribution amount in order to avoid having the excess added to your gross income and an additional 10% tax on that amount.

If your insurance coverage changes from individual to family mid-year, you're eligible for the full family contribution limit for that calendar year.

If your insurance coverage changes from family to individual mid-year, your contribution limit will need to be pro-rated according to how many months you were on each type of insurance coverage.

Options for Paying Yourself Back from Your HSA

FOR QUALIFIED MEDICAL EXPENSES PAID WITH NON-HSA FUNDS

1. Use free Online Bill Pay to request a check be sent to you.
2. Use free Online Account to Account Transfer to transfer funds between accounts at other financial institutions and your HSA.
3. Write an HSA check to yourself.
4. Visit an Alltru Credit Union Branch or ATM to make a withdrawal. There is no fee for withdrawals at an Alltru Branch or Co-Op ATM. See our Branch/ATM locator feature at https://alltrucu.org/locations
5. Visit Retirement Central under Manage My account and complete a Withdrawal From an Existing Account.

What if...

You receive a medical bill or are paying for a prescription at the pharmacy and you want to use funds from your HSA.

Pay using your HSA debit card or through online bill pay.

You're at the pharmacy and realize you don't have your HSA debit card, checks, or you don't have enough funds in your Health Savings Account.

Pay for the purchase with personal funds and later reimburse yourself using one of the "Options for Paying Yourself Back from Your HSA" listed above.

You're faced with a medical emergency and do not have enough in your HSA to cover your portion of the hospital bill.

OPTION 1: Ask provider to set up a payment plan. As funds are deposited into your HSA make payments to the provider using your HSA debit card, online bill pay or checks.

OPTION 2: Pay with another personal checking account, savings account or credit card. Reimburse yourself as funds accumulate in your HSA. Many providers will agree to offer a discount for paying the bill in full.

You're required to pay for treatment at the time of service. Later you receive a reimbursement check from the provider.

OPTION 1: Cash the check and pay for other eligible medical expenses and save those receipts.

OPTION 2: Mail the check to Old National Bank for deposit to your HSA noting it is a REIMBURSEMENT DEPOSIT.

You purchase groceries and a prescription. How should you handle the transaction?

OPTION 1: Pay for the groceries separately and use your HSA debit card or checks for the prescription only.

OPTION 2: Pay for everything with non-HSA funds and later reimburse yourself for the medical portion.

HSA Product Features

Enrollment Fee	Free online enrollment
Minimum Opening Balance	None
Annual Fee	None
Service Charge	No monthly service charge
Statement Options	Free online statements; $3 fee for paper statements
Interest Rates	Interest rates may vary based on account balance; rates subject to change; for current rates, view within online banking/savings/view rates or call our Member Service Team at 636-916-8300
Annual IRS Reporting and Updates	5498-SA (contributions), 1099-SA (distributions) and adjustments for prior year contributions
24/7 Automated Telephone Banking	Toll-free number 1-800-288-7618
Deposit Processing	Automatic deposit, mail in service or in-person at any Alltru Credit Union location
Mobile App	Access your HSA through Alltru Credit Union's mobile banking app available on the App Store or Google Play. Free access to balance, account activity, Bill Pay and Mobile Deposit.
Online Banking	Free access to view statements, account activity, balance, and front and back of paid checks
Online Account to Account Transfer	Free access to transfer funds between accounts at other financial institutions and your HSA
Online Bill Pay	Free access to pay bills online through online banking
Debit Card	Free debit cards for account owner and authorized signer
ATM Access	Free ATM withdrawals at any Alltru Credit Union or Co-Op ATM; fees will apply for ATM withdrawals at non-Co-Op ATMs; refer to credit union service charge schedule
Check Fees	No per-check fees; see HSA Debit Card/Check Request Form for current printing fee per order of 30 checks
Certificate of Deposit Options	Available; call Client Care at 636-916-8300 for current rates and terms; federally insured by the NCUA
Service charges (overdraft, stop pay, etc.)	Call Member Services at 636-916-8300 for details. Or see Service Charges within the New account disclosures.

For account opening instructions, see insert or visit our website **alltrucu.org.**

Address: Alltru Federal Credit Union, 1232 Wentzville Parkway, Wentzville, MO 63385
Email: IRA_HSASupport@alltrucu.org
Phone: 636-916-8318 | Monday-Friday