

HSAs offer many compelling benefits

What is a Health Savings Account?

An HSA is a tax-advantaged account that works with your **State Health Plan Savings Plan**. You can use your HSA to save and pay for your portion of qualified medical expenses, tax-free¹. Funds in your HSA carry forward year after year and are yours to keep. There is no timeframe for spending the funds, and you can save and invest² them for retirement.

HSAs and the State Health Plan Savings Plan

The HSA works with the State Health Plan Savings Plan, which is a traditional Preferred Provider Organization – just like plans you may have had in the past – but with a lower premium. Taking the savings from your premiums and placing them in your HSA is a great way to build your balance without changing your take-home pay.

Benefit from tax savings and grow your account over time

With an HSA you could save up to \$30 or more in taxes on every \$100 contributed to your account¹. The chart below shows how you can benefit from tax savings and account growth with an HSA.

Contributions		Annual tax savings ¹	Account balance in		
Per pay period	Annual		5 years	10 years	15 years
\$50	\$600	\$192	\$3,000	\$6,000	\$9,000
\$100	\$1,200	\$384	\$6,000	\$12,000	\$18,000
\$271	\$3,250	\$1,040	\$16,250	\$32,500	\$48,750
\$538	\$6,450	\$2,064	\$32,250	\$64,500	\$96,750

With an HSA you can:

- ▶ Save up to \$30 or more in taxes on every \$100 you contribute to your HSA
- ▶ Spend funds tax-free on a broad range of qualified medical expenses – just like an FSA
- ▶ Save and invest for retirement similar to a 401(k)
- ▶ Prepare for medical costs in retirement, which typically exceed \$250,000 for couples retiring today
- ▶ Own the account forever, even if you leave your employer or change health plans

What expenses qualify for payment from HSAs?

Many expenses qualify for tax-free payments from your HSA. They include doctor's visits, care in hospitals, prescriptions, chiropractic care, dental and vision expenses and more.

How much can I contribute to my HSA in 2016?

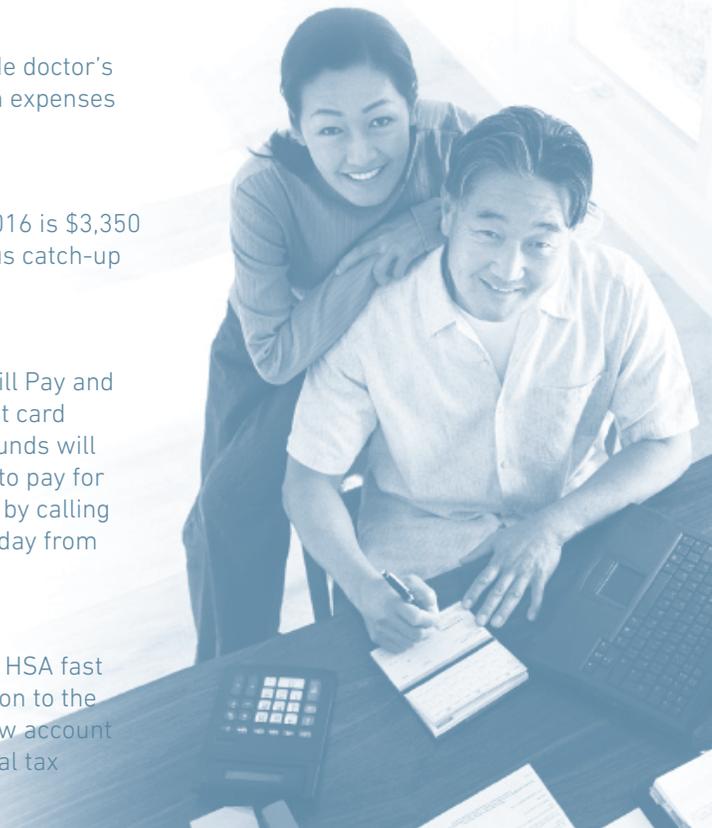
The maximum amount the IRS allows you to contribute to your HSA in 2016 is \$3,350 for a subscriber with single coverage and \$6,750 for family coverage, plus catch-up contributions of \$1,000 for a subscriber 55 or older.

How can I access funds in my HSA?

You may access your HSA funds at any Wells Fargo branch office, ATM, Bill Pay and with the HSA debit card. With a swipe of your Wells Fargo Visa® HSA debit card you can pay for prescriptions, doctor visits, dental expenses and more. Funds will automatically be deducted from your HSA. You can also use HSA checks to pay for qualified medical expenses. Checks may be ordered for an additional fee by calling Wells Fargo HSA Customer Service at 866.884.7374, Monday through Friday from 8 a.m. to 9 p.m. ET.

Can I manage my HSA online?

The Wells Fargo Health Account ManagerSM portal makes managing your HSA fast and easy. Go to wellsfargo.com/hsa and click "Access Your HSA" to sign on to the Health Account Manager portal once your account is opened. You can view account activity, make online contributions, review monthly statements and annual tax reporting, transfer funds, set up your HSA investment account and more.



Can I open an investment² account in my HSA?

You may customize your minimum account balance investment threshold option to \$1,000, \$2,000 or \$3,000. If you do not choose an option, it will default to \$2,000. Once the \$2,000 minimum balance in your FDIC-insured deposit account is met, you have the option to invest additional contributions you make to your HSA. With a diverse array of Wells Fargo fund offerings, it's easy to find an option that matches your personal financial goals and investment style. Your HSA investment account has no transaction fees and all loads are waived.

Can I rollover my existing HSA to Wells Fargo?

If you already have a Health Savings Account (HSA) from another HSA provider, it's easy to transfer or roll over your funds to a Wells Fargo HSA. Simply download the rollover form from the PEBA website and submit it to Wells Fargo.

Who is eligible to contribute to a MoneyPlus HSA?

- ▶ Participants must be covered by the State Health Plan Savings Plan.
- ▶ Participants cannot be covered by any other type of health plan, including Medicare. However, they may be covered for specific injuries, accidents, disability, dental care, vision care and long-term care.
- ▶ Participants cannot be claimed as a dependent on another person's tax return.
- ▶ Participants who received VA benefits within the last three months are excluded.

Ex-spouse coverage is not eligible for pre-tax premiums. Effective January 1, 2016, an employee covering an ex-spouse on any benefit will not be eligible for pretax treatment of premiums. This does not affect the member's eligibility to participate in a medical spending account or dependent care spending account.

How may I change my HSA contribution?

You may change the amount you contribute to your MoneyPlus HSA once a month. To change your HSA contribution, contact your benefits administrator.

Questions?

Helpful FAQs are available online at www.myFBMC.com. Our Customer Care professionals are also standing by to help you. Just call 800.342.8017, (TDD: 800.955.8771), Monday – Friday, 7 a.m. – 10 p.m., ET.

TIP: Save enough in your HSA to cover your annual deductible and coinsurance maximum. These amounts combined are the maximum costs you could potentially have each year. Knowing you have the funds in your HSA to pay these provides a safety net in case of unexpected expenses.

Employees with single coverage have an annual \$6,000 deductible and coinsurance maximum combined for network services. Those with family coverage have a \$12,000 maximum for network services. In just a few years, you could have this much saved in your account.

Will I be charged any banking or custodian fees?

Wells Fargo will charge \$1.75 a month to your HSA. This fee includes the VISA debit card, all transaction fees associated with the card, your HSA investment account, and other banking services. Wells Fargo will deduct this fee automatically from your HSA each month. Other fees may apply, including fees for insufficient funds. The monthly service fee will be waived if the combined deposit and investment balance in your HSA on the last day of the month is greater than or equal to \$2,500. Refer to your Wells Fargo HSA Debit Card Terms and Conditions, Fee Schedule, and HSA Custodial Agreement for more information. These documents will be included in your Welcome Kit from Wells Fargo. WageWorks, will also charge a monthly \$1.50 administrative fee, which will be deducted from your paycheck.

Three steps to open an HSA

1. Enroll in the State Health Plan Savings Plan.
2. Complete Box "A" of the MoneyPlus Enrollment Form, then give the form to your BA or payroll center.
3. Open a Wells Fargo bank account to receive your contributions. Go to www.eip.sc.gov, click on "Links", "Open an HSA Bank Account with Wells Fargo", and use the State of South Carolina account number 002470000000000 (00247 followed by 10 zeroes).

Notes:

- 1 Consult a tax advisor. Tax references are at the federal level. State taxes may vary. The State of South Carolina recognizes HSAs and state income taxes are waived on HSA contributions. This example assumes 20 percent income, 5 percent state, and 7 percent payroll tax savings. Your tax savings may vary from this example.
- 2 Investment Products: Not FDIC Insured • Have No Bank Guarantee • May Lose Value

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