

Welcome to your Avidia Bank Savings Account

Enclosed is everything you need to help you learn how to use your HSA.

Let's get started!



Employee
Benefits
Corporation

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CONGRATULATIONS!

Thank you for opening a Health Savings Account (HSA) with Avidia Health. Our goal is to provide an affordable and convenient approach to begin saving for your medical expenses. We provide personal customer service as well as online access to your Healthcare Portal by simply going to www.ebcflex.com. Here you can find tutorials, tools and other valuable resources.

STICKING TO THE BASICS

A Health Savings Account (HSA) enables you to save, invest, and spend funds for qualified medical expenses on a tax-advantaged basis. Unused funds roll over from year to year and continue to grow tax-free.

HSA ELIGIBILITY RECAP

To be eligible to open and contribute to an HSA, you must meet all of the following criteria, as defined by the IRS:

- » You are covered by a qualified High Deductible Health Plan (HDHP).
- » The minimum required deductibles for an HDHP cannot be less than:
Individual Coverage: \$1,400 Family Coverage: \$2,800
- » The maximum out-of-pocket expenses are capped for individual and for family coverage.
Individual Coverage: \$7,050 Family Coverage: \$14,100
- » You are not covered by another non-qualified healthcare plan, such as a health plan sponsored by your spouse's employer, Medicare or TriCare.
- » Flexible Spending Account (FSA) participation is restricted to dental, vision, or post-deductible medical expenses.
- » You cannot be claimed as a dependent on another individual's tax return.

WHAT'S NEXT

This welcome kit provides an overview of how your HSA works, including accessing your account online, contributing and using your funds, maximizing contributions and utilizing online tools within the Employee Benefits Corporation Portal.

You will receive the following materials:

- » Login instructions
- » Benefits Card linked to your HSA

USE THIS KIT TO GET STARTED

Now that your account is open, you can begin making deposits as well as start using funds to pay for qualified medical expenses. Read through this guide for helpful hints and guidance on how to take control of your health care costs and begin saving for your future medical expenses.



ONLINE SERVICES AVAILABLE TO YOU

- » View online account balance and transaction information.
- » Track expenses for tax reporting purposes.
- » Print forms and documents relating to your accounts.
- » Find educational materials to help you understand your HSA.
- » Call our customer support any time with questions and issues.

For more detailed information, visit
www.ebcflex.com or contact us at
800.346.2126

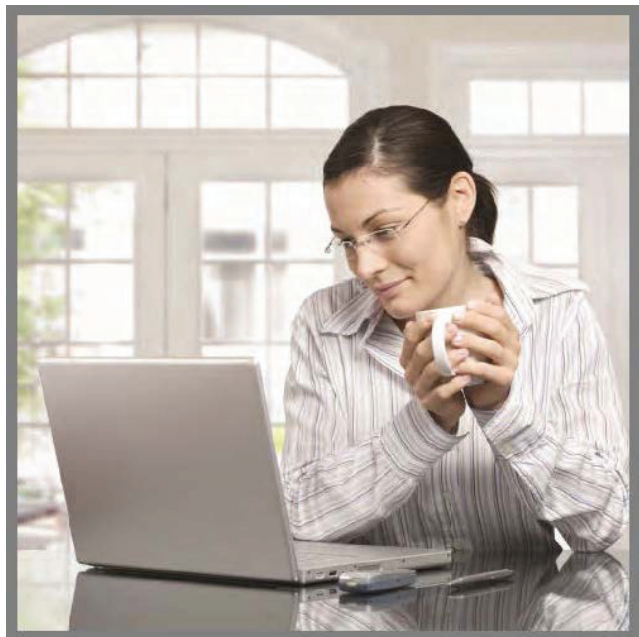
MANAGING YOUR ACCOUNT IS SIMPLE

Online, the [Employee Benefits Corporation](#) Portal puts you in control. Once registered, select “Log In” and click the SimplyHSA View Balance link to get started! If you have any questions, feel free to contact Employee Benefits Corporation at 800.346.2126.

ONLINE SERVICES AVAILABLE TO YOU

You are getting much more than just an HSA, we are providing a suite of services through the Employee Benefits Corporation Portal that will simplify your account. With a single user ID and password you gain access to the following features:

- » Account and investment balances
- » Current and historical activity and balances
- » Graphs and reports to monitor contribution limits
- » Easy to use Bill Pay feature
- » E-Statements enrollment
- » View and manage owner and beneficiary information
- » Utilize contribution feature to set up electronic transfers
- » Integrated investment option with HSA Guided Portfolio to help personalize your asset allocation
- » Online videos, calculators, and other useful tools



BILL PAY FEATURES

- » One-time or recurring payments
- » Categorize payments
- » Schedule future payments
- » Make expedited payments
- » Create reports
- » Receive e-bills

YOUR HSA IS EASY TO MANAGE!

- » An array of mutual funds, including an interest-bearing account, gives you competitive investment choices.*
- » HSA contributions can be swept into investment accounts when they meet the necessary account balance threshold.*
- » HSA deposits are FDIC insured by Avidia Bank, a \$1.1 billion mutual bank, specializing in the management of HSAs.
- » HSA Guided Portfolio helps make it easy to align your HSA investments with your investment goals.

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* Are subject to investment risks, including possible loss of principal invested

CONTRIBUTING IS A SNAP!

Contributing funds lowers your taxable income, allowing you to build a “nest egg” for future healthcare expenses. Contributions to your HSA may be made by you, your employer, or anyone else; however, the preferred tax treatment will only be realized by you.

You can contribute money to your account in several convenient ways, including:

Direct Deposit – Direct deposit can be facilitated through the Employee Benefits Corporation Portal by your employer or by your payroll provider. These contributions can be deducted from your paycheck on a pre-tax or post-tax basis, depending upon your employer’s benefit program.

Funds Transfer – Within the Employee Benefits Corporation Portal, you can make one-time electronic transfers from other financial institutions. They are fast and easy!

Account Transfer – If you have an existing Health Benefit Account or IRA, you may be eligible to either rollover or transfer the funds to your new HSA. Required forms are available within the Employee Benefits Corporation Portal or you may contact the Participant Services team for further assistance.

2022 HSA Contribution Limits

Single: \$3,650 Family: \$7,300

2022 Catch up Contributions

Participants age 55 or older may make additional contributions above the set HSA maximum.

Single: \$1,000 Family: \$1,000

MAXIMIZING YOUR CONTRIBUTIONS

As you decide how much to contribute, it’s important to note that contributing the maximum allowable amount helps you to get the most from your HSA. At the very least, you’ll want to contribute enough to cover anticipated healthcare expenses. Contributions may be made until April 15 for the previous calendar year. Additionally, if you are 55 or older, you are allowed to make a \$1,000 catch up contribution. The tax advantages of an HSA make it a powerful long-term savings vehicle. Keep in mind that HSA contribution limits established by the IRS may change each year and you must not over contribute to avoid adverse tax consequences.

A GREAT SAVINGS EXAMPLE:

A contribution of \$50 a month over 25 years:

Tax savings: \$4,148 Balance: \$21,876

Increase the contribution to \$200 a month over 25 years:

Tax Savings: \$16,590 Balance: \$87,502

Max. Family Contribution of \$6,550 a year over 25 years:

Tax Savings: \$45,277 Balance: \$245,972

*For illustrative purposes only. Savings calculations are based on a federal tax rate of 15%, state tax rate of 5% and 7.65% FICA. Balance calculations assume an average interest rate of 3%. Actual results may vary.

Does this sound complicated? Don't worry, there are tools within the [Employee Benefits Corporation Portal](#) that will help you monitor your contributions and help prevent over-contributing. Additionally, contact us if you have questions, 800.346.2126. We are here to help.

PAYING FOR HEALTHCARE WITH EASE

Because you have enrolled in a High Deductible Health Plan, you no longer have to submit claims or wait to be reimbursed for medical expenses. With your HSA, accessing your funds to pay for qualified medical expenses is simple and tax-free. When you need access, the following options are available:

Benefits Card – Whether you are at the doctor's office or pharmacy, simply swipe your card and you're done. Additionally, if you are paying by mail, phone, or online, just provide your Benefits Card number to complete your transaction.

Bill Pay – Within the Employee Benefits Corporation Portal, you can enroll for the Bill Pay feature. Once enrolled, you can add your payees.

Reimbursing Yourself – If you do not have enough funds in your HSA or prefer to pay out-of-pocket for qualified medical expenses, keep your receipts. Later on you can choose to reimburse yourself.

QUALIFIED MEDICAL EXPENSES

Qualified medical expenses are those directly related to the alleviation or prevention of physical or mental illness. Amounts paid for over-the-counter drugs are no longer qualified medical expenses unless prescribed by a doctor. This requirement does not apply to expenses such as insulin and diabetic supplies, bandages, band-aids, or contact lens supplies. Expenses generally can be for yourself, your spouse, or your dependent children, regardless if they are covered by your health plan. HSA funds can be used to pay for qualified medical expenses such as:

- » Medical Care
- » Vision
- » Physicals
- » Deductible Payments
- » Dental
- » Prescriptions
- » Chiropractic
- » Medical Equipment
- » Certain Healthcare Premiums (Cobra, LTC, Medicare A/B/C/D)

KEEP GREAT RECORDS!

Keep track of your expenses and payments by using the Employee Benefits Corporation Portal to see balances, view transactions, and create reports. Also, based upon your health plan, some of your expenses may apply toward your deductible. If you use your HSA funds for non-qualified medical expenses, and are under the age of 65, you may incur a 20% penalty and owe income taxes on the amount used. However, qualified medical expenses remain tax-free after age 65.

Learn More

For more information on how to use your funds, manage your expenditures, use Bill Pay, order a new Benefits Card, and determine whether an expense is qualified, please visit www.ebcflex.com or call us at (800) 346-2126.

HSA INVESTMENT OPTIONS & TAX ADVANTAGES

Since your HSA is a tax-exempt account, it makes sense to use it to its fullest by making regular contributions. During the year, if you don't use all of your HSA funds, they roll over for future use.

Once your HSA reaches the \$1,000 average balance threshold, within the Employee Benefits Corporation Portal you can self-enroll for the Devenir investment account* (Figure 1) for a small fee. There are a variety of Mutual Funds that you can select to invest in based on your needs. You can use the transfer feature within the portal to move funds between the investment and transactional component of your HSA.

HSAs OFFER A TRIPLE TAX ADVANTAGE

- 1. Money Goes In Tax-Free** - Most employers offer a payroll deduction plan that allows you to make contributions to your HSA on a pre-tax basis. The deduction is deposited into your HSA prior to taxes being applied to your paycheck, making your savings immediate. You can also contribute to your HSA post-tax and recognize the same tax savings by claiming the deduction when filing your annual taxes.
- 2. Money Comes Out Tax-Free** - Eligible medical purchases can be made tax-free when you use your HSA. You can also pay out-of-pocket for eligible medical expenses and then reimburse yourself from your HSA. You can use your Benefits Card, online bill pay, or write a check. (Books of checks available to purchase.)
- 3. Earn Interest Tax-Free** - The interest on HSA funds grows on a tax-free basis. Unlike most savings accounts, interest earned on an HSA is not considered taxable income when the funds are used for eligible medical expenses.

The only time you may pay taxes or penalties on your HSA funds is if you make a non-eligible purchase or if you contribute more than the yearly maximum contribution limit. However, both circumstances can be corrected free of tax penalties by April 15 of the following calendar year.

HOW CAN AN HSA HELP SECURE MY RETIREMENT?

Participation in an HSA allows you to invest both pre- and post-tax dollars to prepare for retirement. Although your funds can be used to pay for immediate healthcare expenses tax-free, you can also save the money for healthcare expenses later in life. Whether you withdraw the money tomorrow, five years from now, or in retirement, funds used for qualified healthcare expenses are always tax-free.

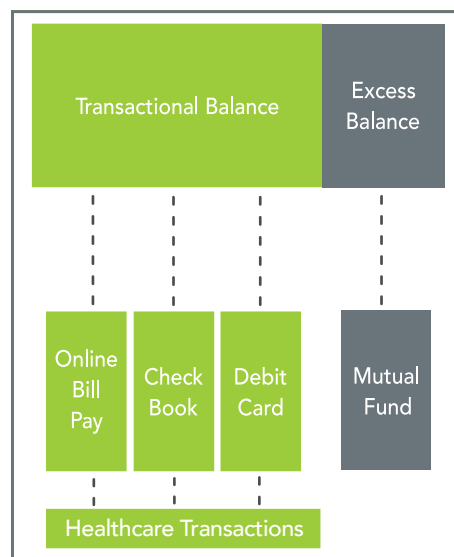
WHO IS DEVENIR?*

- » Devenir is the leading HSA investment advisor in the country.
- » As an HSA pioneer, Devenir has gained a wealth of experience and deep understanding of the HSA market.
- » Devenir features clients of all sizes, ranging from small community banks to Fortune 500 companies.
- » Devenir's primary focus is to provide investment solutions for HSA accounts.
- » The combination of Devenir's size and experience provides economies of scale, allowing for the elimination of sales loads typically found in other HSA mutual fund offerings.

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TOP TEN REASONS TO HAVE AN AVIDIA HEALTH HSA

- 1 Triple Tax-Advantaged**
Contributions are tax-free, potential interest gains accumulate tax-free and distributions are tax-free when used to pay for qualified medical expenses.
- 2 Flexible**
Funds can be used for non-medical expenses. At age 65, any remaining HSA funds can be withdrawn for non-medical reasons without penalty. Ordinary income tax will be charged on the money withdrawn for non-medical reasons.
- 3 Portable**
You own all HSA account funds. Unlike an FSA, the accumulated balance in the account rolls over from year to year. Accounts move with you, even if you change employment or retire.
- 4 Convenient**
The Benefits Card provides you with an easy and convenient way to access HSA contributions. If you prefer writing checks, you can purchase a book of checks for a small fee.
- 5 Independent**
Employers prefer the long-term viability of an independent administrator. The relationship the employer has with their HSA administrator or HSA custodian remains consistent, along with all plan processes and resources, even if the employer switches to a different insurance plan.
- 6 Savings Solution for Future Health Needs**
Unused contributions accumulate and can be saved and used for future medical expenses or to supplement retirement income. For example, unused funds can be used to pay COBRA or other medical insurance premiums during periods of unemployment or temporary layoff.
- 7 Customized Banking Solutions**
Our world-class custodial partner, Avidia Bank, is a mutual, FDIC-insured financial services provider that specializes in delivering Internet-enabled banking services to groups nationwide. This partnership enables us to provide clients with a customized banking experience via www.ebcflex.com.
- 8 Investment Options**
You can select from a spectrum of investment options to match your preferred investment style. Use the HSA Guided Portfolio tool to quickly and easily invest your HSA funds. Investments are offered through Devenir.*
- 9 Tax Record Keeping**
Process HSA deposits and withdrawals, post transactions, prepare and distribute bank statements, and perform year-end reporting.
- 10 Account Summary Statements**
Electronic Quarterly Account Summary Statements are free of charge.

ADVANTAGES OF AN HSA

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- | | |
|---|---|
| » No use-it-or-lose-it rule | » Portable account |
| » Never pay taxes on money used for eligible medical expenses | » Provides an excellent savings vehicle for healthcare expenses |
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MANAGING YOUR ACCOUNT AND OTHER HELPFUL SUGGESTIONS

You are in complete control of your HSA. Here is some helpful information to assist in managing your account:

Correcting Account Information – Within the Employee Benefits Corporation Portal, you are able to change your personal information.

Adding Authorized Signers or Beneficiaries – For your convenience, we have provided easy to complete online forms.

Transferring Funds to Your HSA – If you would like to transfer or rollover funds from an existing HSA or IRA, we provide easy-to-follow on-line forms.

Tax Information – At year end, Avidia Bank will send you the following:

» 1099 SA – Received by January 31 and shows your annual distributions

» 5498 SA – Received by May 31 and shows your annual contributions

If you receive these forms and you feel there is an error, please contact Avidia Bank at 855-472-9399. We will work with you to make corrections and provide a corrected form.

THANK YOU!

We are proud to serve as your HSA administrator. We appreciate your business and look forward to providing you the highest level of service and support. Our goal is to ensure that you maximize the benefits of participating in a Health Savings Account. To that end, we are constantly seeking ways to provide a better customer experience. Please let us know if there is anything we can do to improve the level of service.

EMPLOYEE BENEFITS CORPORATION PORTAL

ALLOWS 24/7 ACCESS TO :

- » Account balances and history
- » Deposit and withdrawal capabilities
- » Important forms and documents
- » Up-to-date history
- » Recent news and benefits updates
- » Account Summary Statements
- » Investment options

HSA PLAN SERVICE PROVIDER:

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Middleton, WI 53562
800.346.2126
participant services@ebcflex.com.
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HSA CUSTODIAN:

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www.avidiabank.com



The balance in your HSA is insured by the Federal Deposit Insurance Corporation (FDIC), and subject to applicable deposit limits.