



HEALTH SAVINGS ACCOUNT (HSA) FREQUENTLY ASKED QUESTIONS

Who is eligible to open and contribute to an HSA Checking Account?

The requirements to be eligible to contribute to an HSA are:

- Be enrolled in HSA-qualified health plan.
- Have no other health coverage (see IRS Publication 969).
- Not be enrolled in Medicare.
- Not be claimed as a dependent on someone else's tax return.

How do I select the correct HSA type for IRS reporting?

There are three types of HSA accounts to select from:

- New HSA: You are opening your New Inland Bank HSA using funds not from an existing HSA account.
- Rollover HSA: is when a trustee or custodian distributes funds directly to an accountholder and the check is made payable to the accountholder.
- Transfer HSA: is when a trustee or custodian distributes funds directly to an accountholder or to a new trustee or custodian, and the check is made payable to the new trustee or custodian.

Guidelines for completing a Rollover of funds from an HSA

- The accountholder has 60 days to roll the funds over to a new trustee or custodian to avoid tax consequences.
- You may make a rollover contribution of funds from another HSA during an one-year period.
- The rollover amount does not count toward your annual contribution limits.

To avoid possible tax consequences, the rollover funds must be deposited within 60 days of the funds distribution. Individuals can roll over contributions once every 12 months into their Inland Bank HSA.

Guidelines for completing a Transfer of funds from an HSA

- You may make a transfer contribution of funds from another HSA at any time.
- The transfer amount does not count towards your annual contribution limits.

Inland Bank does not provide tax advice. Consult your tax advisor for more information.

What is a qualified healthcare expense?

Qualified expenses are outlined in IRS Publication 502.

How do I access my Inland Bank HSA checking account online?

You can log in to your account anytime at www.inlandbank.com.

Will I lose my HSA balance at the end of the year?

No, once money is in your HSA, it is yours and will not be forfeited at the end of the year. Your balances will rollover year after year. The HSA is yours-even if you leave your employer, retire, or change health plans.

Can I use my HSA to pay for my spouse's or children's healthcare expenses?

Yes. Your HSA can be used to pay for qualified health care expenses of your spouse and any family member who qualifies as a tax dependent. Remember, if your spouse and/or dependents are not covered by your health plan, their expenses will not apply to your deductible.

Who can make a deposit to my HSA?

Anyone can contribute to your HSA, however, only you and your employer (if applicable) receive tax deductions on contributions. When you contribute through payroll deductions, your contributions are pre-tax.

Can I spend my HSA dollars any time?

Yes. You can withdraw your HSA funds at any time, tax-free, and without penalty when you are paying for qualified healthcare expenses. If you withdrawal funds for non-qualified expenses, you will pay income tax plus a 20% penalty.

Will Inland Bank monitor my account for authorized withdrawals and deposit limitations under the IRS rules for

Health Savings Accounts?

We will report activity on your account to the IRS at year-end, but you are responsible for keeping track of funds deposited and whether or not withdrawals fall under the guidelines for HSA accounts

How do I contact Inland Bank?

Contact us at www.inlandbank.com or email us at eBank@InlandBank.com