

HEALTH SAVINGS ACCOUNT (HSA) USER GUIDE

**Be ready for
the speed of life**



Welcome to The HSA for Life[®] Health Savings Account from Bank of America

Life moves fast. That's why it's important to be ready for tomorrow with your health care accounts today.

This guide contains what you need to know about setting up and managing your HSA, and can help you to take advantage of tax benefits while saving for your health care needs now, and in the future.



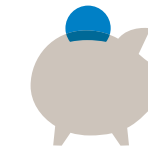
Bank of America, N.A. Member FDIC

Investment products:

Are Not FDIC Insured | Are Not Bank Guaranteed | May Lose Value

Save it. Use it. Never lose it.[®]

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Save it

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Never lose it

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What is an HSA?

 An HSA gives you more control over your health care spending.  It's a tax-advantaged savings account that works with a qualified high-deductible health plan (HDHP). You can contribute funds into an HSA on a pre-tax basis to save for current and future medical expenses, putting you in charge of how you spend your health care dollars.

Money contributed to an HSA is exempt from federal income tax and state income taxes (in most states), and even earns interest. You own your HSA and it moves with you if you change jobs, health plans or begin retirement. There are no "use-it-or-lose-it" rules – the balance rolls over from year to year.

With a Bank of America HSA you can:



Save it

contribute tax-free funds to pay for future health care expenses



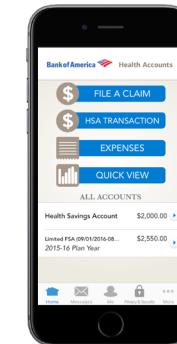
Use it

pay for qualified health care expenses now



Never lose it¹

it's yours for life whether you change jobs, health plans or retire

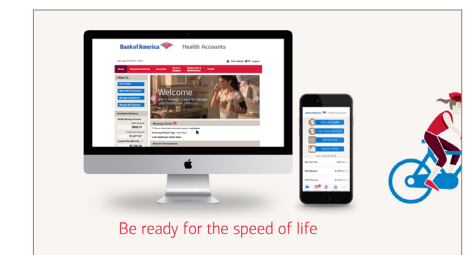


Ready to get started?

In just a few easy steps you'll be on your way. The member website helps you easily manage your account, view your contributions and payment history, securely store receipts and more.

Get started today! Visit the member website at myhealth.bankofamerica.com.

Take a tour of the member website



HSA's can be used for medical costs, including:

- Deductibles
- Co-insurance and Medicare payments
- Over-the-counter medical items and more

Check this list of [commonly covered health care expenses](#).

Getting started. Your HSA checklist.

Log in to the [member website](#) and complete this checklist so you can get started using your HSA today!

✓ Verify your email, mailing address and phone number

So we can reach you when needed, make sure we have your current email, mailing address and phone number. This only takes a moment. Just select the “Profile” tab and you’re on your way.

✓ Linking your bank account

Many people prefer the speed and reliability of direct deposit to receive their claim reimbursements. After you’ve linked your bank account, you’ll receive funds electronically without the hassle of paper checks, and you also can easily make contributions to your HSA. [Get started](#) or [watch a video](#) on setting up your bank account.

FYI For security reasons, a one-time micro-deposit process is necessary to activate your bank account. This additional security step protects you and ensures the bank account information is accurate by requiring you to validate a random small dollar amount, anywhere between 1 cent and 99 cents, that will be made “in to” and “out of” the bank account that’s being set up.

✓ Set up your Investment Account preferences

Once your account balance reaches \$1,000, you’re eligible to invest any portion of your HSA balance above this level into mutual funds.



✓ Add dependents

To add dependents or to order additional debit cards, you’ll need to have their dates of birth and social security numbers handy. Go to the “Profile” tab and choose “Add Dependent.”

✓ Authorize other users

You can allow others to contact Customer Care or make transactions on your account. [Find out how on page 29.](#)

✓ Designate a beneficiary for your account

Simply log in to the member website and go to the “Profile” tab. Then, select “Add Beneficiary.”

✓ Update your notification preferences

Tell us how you’d prefer to receive your account information. You can also sign up for text alerts for some notifications. Go to the “Statements and Notifications” tab and select “Update Notification Preferences.”

FYI When opening a new account with us, we are required by law to validate your identification. We may send you a request for additional information such as a copy of your driver’s license, passport or social security card. It’s important that you provide the requested information so you can begin accessing the funds in your account.



Activate your HSA Visa® debit card²

Once you’ve received your debit card in the mail, be sure to activate it immediately by calling the number on the label on the front of the card.

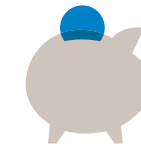


Get the “MyHealth” mobile app³

It’s your health account on the go. What you need, when you need it. Download the app directly from the App StoreSM or Google Play^{TM,4}.

Save it

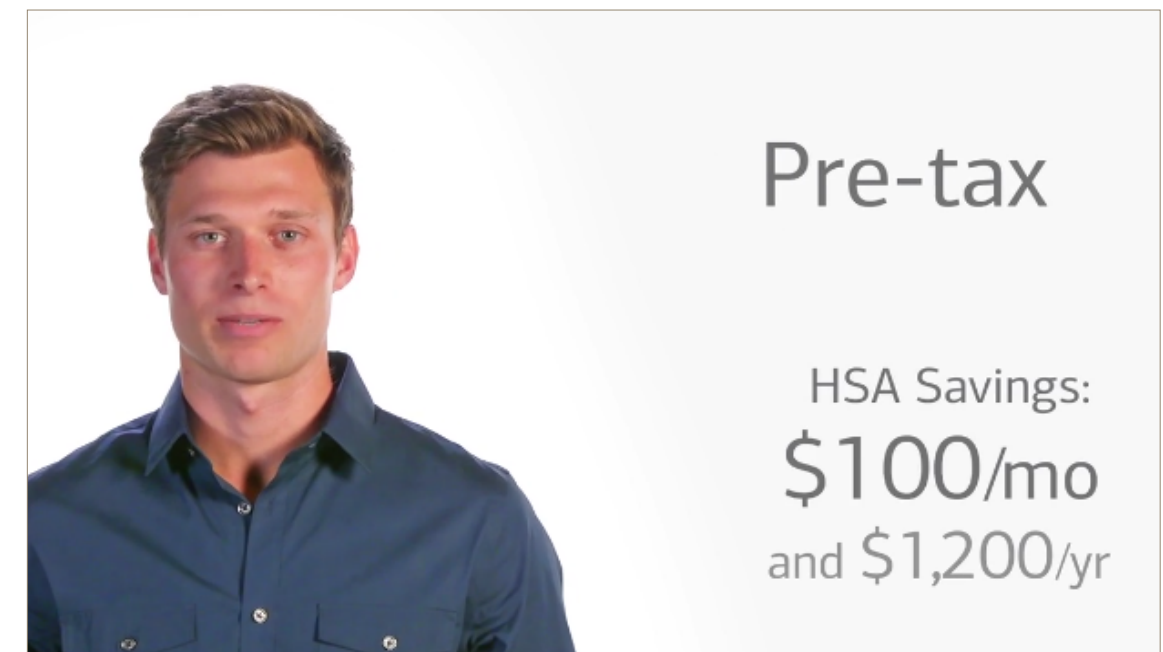
Let the savings begin



When it comes to saving money for short- and long-term health care needs, the key is to get started sooner rather than later. So set a goal, start making deposits and see the savings add up in your HSA!

What are other people doing?

Watch how Josh is using his HSA to save for health care in the long-term.



Pre-tax

HSA Savings:
\$100/mo
and \$1,200/yr



So many ways to save and invest with your HSA – a triple tax advantage⁵

1. Pre-tax contributions
2. Potential for tax-free interest and investment earnings
3. Tax-free payments for qualified medical expenses

HSA contribution limits



There are annual contribution limits established by the IRS. The annual limit is based on single or family coverage under a high-deductible health plan.

	2016	2017
Single coverage	\$3,350	\$3,400
Family coverage	\$6,750	\$6,750
Catch-up contribution*	\$1,000	\$1,000

*Starting at age 55

It's yours for life

You can use your HSA funds to pay for eligible health care costs now or in the future, tax-free. It's never too early to start saving for future health care needs.



HSAs and Retirement

Once you enroll in Medicare, you can no longer contribute to your HSA. But, you can still use your HSA funds to pay for qualified health care expenses. You can even make tax-free distributions for Medicare specific costs such as:

- Medicare Part B (outpatient services)
- Medicare Part C premiums (private Medicare replacement policy)
- Medicare Part D premiums (prescription drugs)
- Most employer retirement plan premiums

After age 65, you also have the option to make distributions for non-eligible health care expenses.⁷ Having the HSA for tax free medical expenses in retirement, with the added flexibility of knowing you have access to the funds for non-qualified expenses, can help with a retirement planning strategy.



Contribution deadline!

You may contribute funds for the current year up until April 15 or the federal tax filing deadline of the following calendar year.⁶



Aged 55 or older?

Then you're eligible for a catch-up contribution. This is an additional \$1,000 you can contribute each year over and above the annual contribution limit. This allows people nearing retirement age to maximize their tax savings while increasing their savings for health care in retirement

Having trouble setting a goal?



Studies show that a healthy couple may need up to \$400,000 for health care expenses in retirement.* With this in mind, here are some ideas to help you set a savings goal:

Use our calculator

See how much you can save. [Calculate the savings.](#)

Contribute the maximum allowed by the IRS

Take full advantage of the HSA tax savings by contributing the maximum amount each year.

Save the difference in your medical premium

Consider saving the difference in premiums between a traditional plan and a lower cost HDHP.

Example: If a traditional plan premium is \$450 per month and the HDHP premium is \$200, save the \$250 difference into your HSA. At the end of 12 months you'll have contributed \$3,000.

Save enough to pay your plan deductible

The lower HDHP premium can save you money over time, but you'll want to make certain you have enough cash on hand to cover any out-of-pocket costs that arise today.

Example: If your HDHP deductible is \$2,100, contribute \$175 per month to reach your plan deductible amount in one year.

*Source: HealthView Services 2015 Retirement Health Care Cost Data Report. Includes Medicare B, D and Supplemental Insurance and expected dental, vision, hearing, co-pays and all other out-of-pocket costs for a healthy couple retiring today.

4 ways to contribute funds to your HSA

Learn how to contribute to your HSA.



1. Payroll deduction

For employer-sponsored plans, the amount you elected will be deposited into your HSA on a pre-tax basis each pay period.

Note: Some employer-sponsored plans allow mid-year changes to elections. Check with your employer for more details.

2. Individual contributions

Make online electronic deposits from your personal checking or savings account, or mail a check with your HSA Contribution Form.*

Note: Individual contributions are tax-deductible when you file.

3. Move funds from another HSA

a) **Trustee-to-trustee transfer:** Direct transfer from another trustee directly to Bank of America. There are no limits to the number of transfers you can make this way.

b) **Rollover:** Check is sent to you from other custodian, then you send the check to Bank of America. Limit is one rollover per year.

Note: Neither of these options counts toward your annual contribution limit.

4. Once-per-lifetime transfer or rollover

Can be made from a traditional IRA or Roth IRA. Use this HSA Contribution Form.*

Note: This does count toward your annual contribution limit and is subject to other restrictions. Consult your tax advisor for more information.

**Forms can be found on the member website under "Tools & Support."*



Send any contributions or rollovers to:

Bank of America
P.O. Box 74008368
Chicago, IL 60674-8368



Investing your HSA funds



Keep Going. Keep Growing.

One way to potentially maximize your HSA is to take advantage of the investment feature. When your HSA balance reaches \$1,000, you're eligible to start investing any portion of the balance above this level in select mutual funds.

Note: You can view available fund options on the member website under "Manage Investments," then go to "Investment Account Information" and "Fund Performance Information."

Set up your investment profile

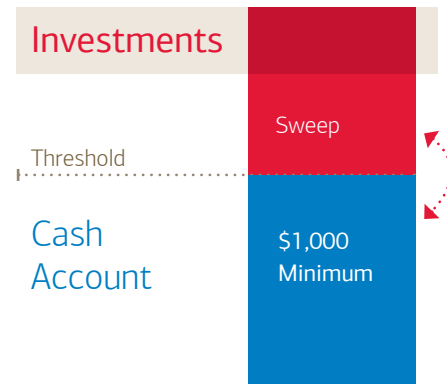
It's easy to set up your investment profile and choose your funds. Even if you recently enrolled in an HSA and haven't reached the \$1,000 minimum yet, you can still define your investment threshold amount and select your investment elections now. Plus, you can change your investment elections at any time. Just set it and you're ready to go!

Mutual Fund investment services for the Bank of America, N.A. ("BANA") HSA are provided by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a registered broker-dealer, Member SIPC and a wholly owned subsidiary of Bank of America Corporation ("BoFA Corp"). Investments in mutual funds are held in an omnibus account at MLPF&S in the name of BANA, for the benefit of all HSA account owners. Investment advisory services for the HSA are provided to BANA by Devenir Investment Advisers, LLC, a registered investment adviser. Devenir is not an affiliate of BoFA Corp.

Terms you'll need to know

"Threshold"

The dollar amount you select to always remain in your Cash Account. This amount must be at least \$1,000. Any funds \$100 or more over your threshold will be transferred (or "swept") into your Investment Account and invested per your instructions. Any time your cash balance falls \$100 or more below your threshold, funds will automatically be liquidated pro-rata, and the proceeds will be "swept" from your Investment Account. There is a minimum auto-sweep amount of \$100.



"Sweep"

Funds are automatically bought/sold and transferred to/from your Investment Account to maintain the threshold in your Cash Account.

This feature keeps you from having to constantly monitor your account and move money manually. There is a minimum auto-sweep amount of \$100.

Note: Investment BUY sweeps are purchased based on the investment elections you establish. Investment SELL sweeps are sold from each mutual fund balance on a pro-rata basis.

Examples:

1. You select \$1,500 to be your threshold. Your Cash Account balance is \$1,599. Since the minimum auto-sweep is \$100, funds will not be swept until your Cash Account balance is \$1,600 or above.
2. You select \$1,500 to be your threshold. After paying a medical bill, your Cash Account balance is \$1,250. Since the minimum transfer amount of \$100 is met, \$250 will be swept from your Investment Account to your Cash Account to meet your threshold.

"Auto-rebalance"

It's a feature you may elect within your Investment Account which automatically realigns your Investment Account to your pre-determined investment allocation based on the cycle you define.

Note: Rebalancing does not ensure profit or protect against loss.

Step 1: Set up your investments

1. On the Home page of the member website, choose “Manage Investments” from the left navigation.
2. Select “Setup Investment Transfers.”
3. Check the “Define Investment Sweep Amount” box and enter the dollar amount you want to designate as your investment threshold in the box next to “Transfer funds to investment when funds exceed.” Click “Save.”

Step 2: Establish election percentages

Now, you can establish your election percentages or access your Investment Account

1. Click “Manage Investments.”
2. A pop-up message will let you know you are leaving Bank of America and going to the investments website. Click “Continue” and you’ll be redirected to the investments website home page.
3. From here, choose “Manage My Investment Account” and then “Update Investment Elections.”

More information:

You can find the HSA Investment Terms and Conditions on the member website under “Tools & Support.”



Mutual funds:

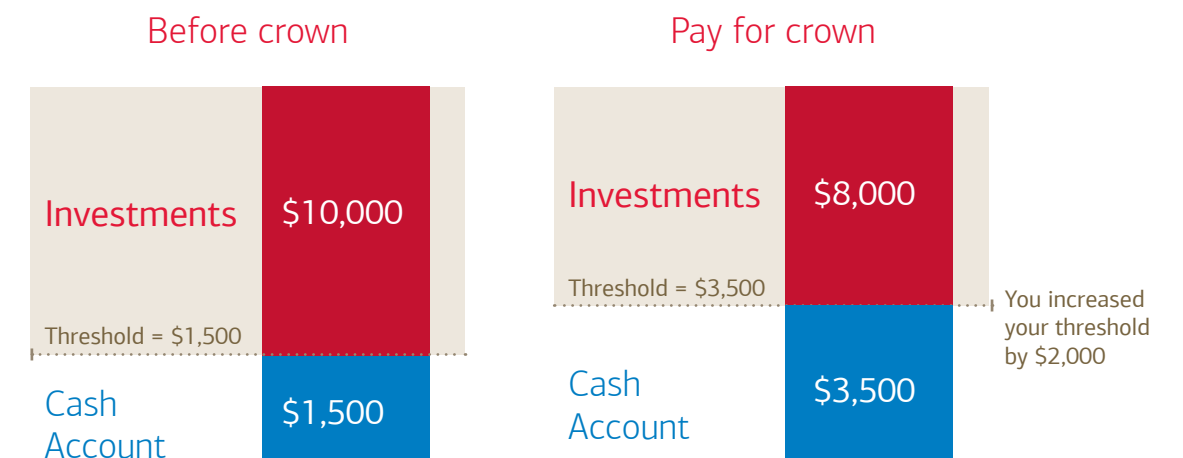
Manage your investments through a diverse range of mutual funds.

Managing your investments

Can I use my Investment Account to pay for large expenses?

Expenses can only be paid out of the Cash Account. Sometimes, you may need to use your HSA to pay for an expense that is larger than a prescription or a doctor’s visit. To cover that expense, you can temporarily change your cash threshold to liquidate mutual funds, and transfer (or “sweep”) additional funds to your Cash Account. Allow 3 business days for the cash to be available for use.

The example below illustrates how to move your investment funds into your Cash Account by adjusting the threshold you have set.



Example: You need to pay for a crown which costs \$2,000. Your cash threshold is \$1,500, and you have \$10,000 in your Investment Account. You can change your threshold to \$3,500, leaving \$6,500 in investments.

Remember! After you’ve paid the bill for the crown, reset your threshold to \$1,500.

Investments website

If you're already investing with your HSA, here are the things you can do on the investments website. To get there, select "Accounts" on the [member website](#). Select "Investments," and then select "Manage Investments." Just navigate to the information you need:

Where you can...

Home Page

- check out your real-time account balance
- see the individual rate of return for your investments
- view charts and graphs that show a snapshot of your investment elections, portfolio balances, and investment performance.

Investment Account Information

- view your investment units, balances, election percentages, portfolio percent and investment category
- view fund price, returns, fund fact sheets and prospectuses
- view your Investment Account transaction detail
- view an Investment Account summary

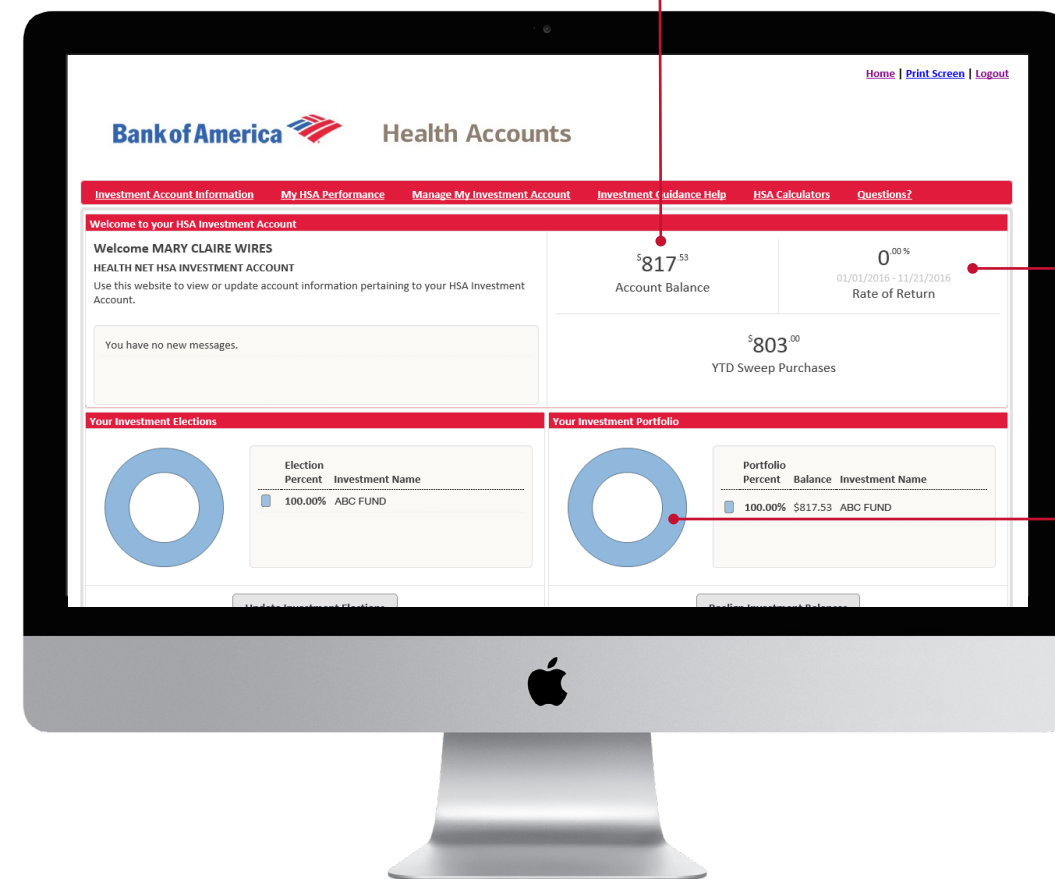
My HSA Performance

- view your personal rate of return based on investment vs. value, cumulative returns and period returns
- view your investment returns based on investment breakdown and balance history.

Manage My Investment Account

- update your investment elections or choose auto-rebalance so your investment balance stays in line with your long-term goals
- re-allocate investment balances
- transfer between funds
- review pending and process requests

From your investments Home page, you can see your account at-a-glance.



Account balance

Individual rate of return for your investments

Charts and graphs

Shows a snapshot of your investment elections, portfolio balances, and a summary of your investment performance.



Setting up auto-rebalance:

- From the "Manage My Investment Account" tab, select "Automatic Investment Account Rebalance"
- Click "Participant-Defined"
- From the dropdown menu, select the rebalancing cycle you want
- Click "Submit Request"
- Click "Yes" in the pop-up window

Have questions about investing in your HSA? [See page 36 for Investment FAQs.](#)

Use it

It's so easy!



Use your HSA to pay for doctor visits, trips to the pharmacy or even for qualified health care purchases when shopping online. When you have an HSA combined with a high deductible health plan, your experience will be something like this:

Using your HSA at the doctor's office

1. You can use your debit card at the checkout, or your provider will submit a bill to your health plan. Depending on your provider and plan, you may have to pay a portion of the fee at the time you receive the service.
2. Your insurer will send you an explanation of benefits (EOB).
3. When you receive an invoice from your provider, make sure it matches your EOB.
4. Pay the invoice – even with your debit card.
5. Save your receipts.



That's it!



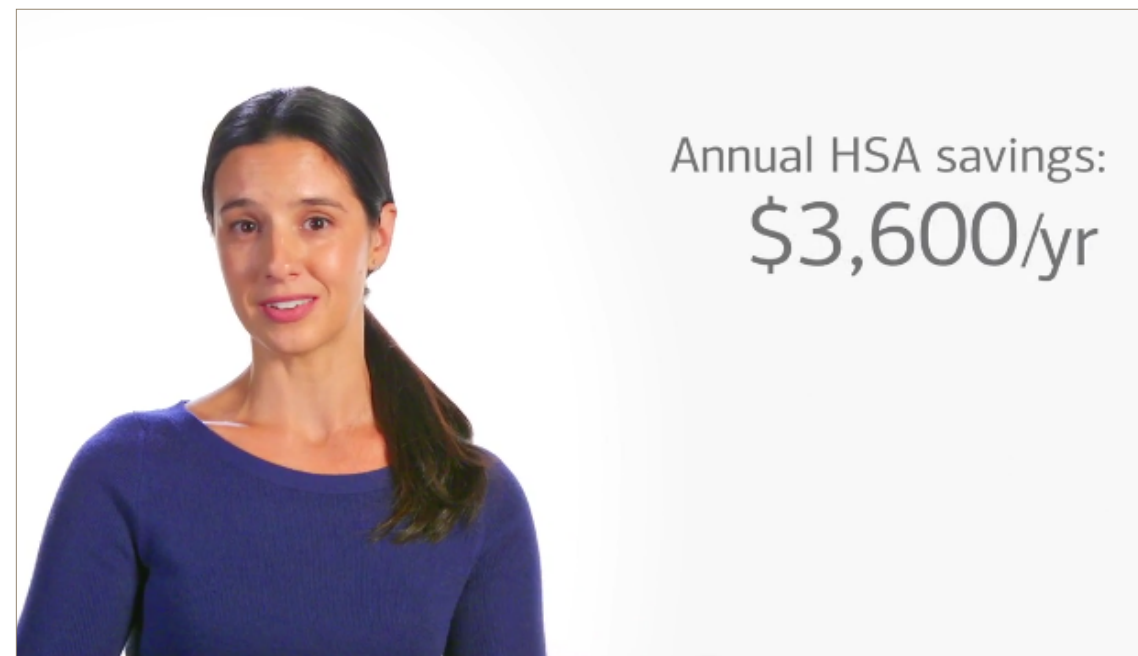
Over the counter medications (OTC)?

The IRS requires a prescription for OTC medicines when paying with your HSA. Ask your doctor to write a prescription for medicines or supplies that you frequently need so you can use your HSA to pay for these items.

Check this list of [commonly covered health care expenses](#).

What are other people doing?

See how Amy uses her HSA to pay for her family's health care costs.



3 ways to pay

Watch how easy it is to pay with your HSA.



While using your debit card is the easiest way to pay for qualified health care expenses, you can also choose to pay a provider or reimburse yourself:

1. HSA Visa® debit card

Swipe your card at checkout or use your debit card to pay any bills you receive from your provider. Amounts will automatically be deducted from your HSA for qualified purchases, up to the cash balance of your account.

Note: Your debit card is only accepted by merchants within the U.S.

2. Provider payment

When you receive an invoice from a health care provider for a qualified expense, you can pay it directly from your HSA – just like an online bill payment service. A check will generally be mailed within 3-5 business days. Just log in to the [member website](#), and click on “Make HSA transaction.”

3. Pay yourself

If you've already paid for qualified products or services out of your own pocket, you can reimburse yourself from the funds in your HSA by electronic or check distribution. Just log in to the [member website](#) and click on “Make HSA transaction.”

FYI You can also schedule recurring payments from your HSA. Simply schedule your payment to recur monthly or weekly, pick the day and select the start and end dates. It's that easy!



Save your receipts!

Upload and store your receipts using the MyHealth mobile app so you have them handy if you ever need them.

Your HSA Visa® debit card, no ordinary debit card

You can use your debit card to pay for qualified health care expenses at doctors' and dentists' offices, or for prescriptions and qualified products and services.

Even if you've checked the approved list of expenses, it can sometimes be challenging to keep up with all the subtleties. So if you need to pay for your acupuncture appointment, buy batteries for your hearing aid, or pay for a prescription, use our debit card. Always be sure to check the list of [commonly covered health care expenses](#).

And, if you have another health account with Bank of America such as an FSA, HRA or LPFSA, your debit card automatically knows which account to take the funds from based on the expense category.

FYI Just so you know, your debit card cannot be used for cash back transactions or ATM withdrawals.

FYI Whenever we send you a new debit card in the mail, we'll also send you an email notification letting you know it's on the way.

FYI Want to use a PIN? When you activate your card, select a personalized PIN.

Note: Debit cards can only be used within the U.S.



Lost or Stolen Card?

Call our Customer Care Center immediately at 800.718.6710.

You can also report a lost or stolen card within 60 days on the [member website](#) or the MyHealth mobile app.⁸

Dispute a Transaction

Many times a single unauthorized charge is found to be a merchant error. Simply contacting the merchant might resolve the error quickly. If you suspect fraud or error on your HSA Visa debit card, please contact Customer Care to report the charges as soon as possible.

Debit Card transaction dispute process

1. Contact Customer Care at the number on the back of your card
2. Customer Care cancels any debit cards and issues new cards
3. Customer Care sends you a Transaction Dispute Form to complete*
4. A provisional credit will be placed on your account
5. Once the form is submitted, the disputed charges will be researched. This can take up to 30 days
6. If the disputed charges are confirmed as incorrect, the temporary credit will change to a permanent credit
7. You'll be notified by mail when the dispute process is completed

TIP Sign up for debit card alerts to be notified when your card has been used.

*The Transaction Dispute Form must be completed and submitted as soon as a disputed/fraudulent transaction is identified and must be received within 120 calendar days from original transaction(s) date.



Order cards for each dependent (up to a total of 9 for anyone 18 or over)

This is really helpful when you have older children, especially one going off to college.

On the member website, under the "Profile" tab:

1. Click on "Banking"
2. Click on "Issue Card"

Managing your account

Whether you want to check your balance, make an HSA transaction or update your account information, it's convenient with our member website.

Member website
myhealth.bankofamerica.com

Quick links

Get to the options you use the most – like making an HSA transaction, managing expenses and more.

Message center

View messages concerning your HSA. If action is required on your part, you can simply click the message and you will be taken to the page that requires your attention.

Receipt storage

Electronic receipt storage for your medical bills.

Forms

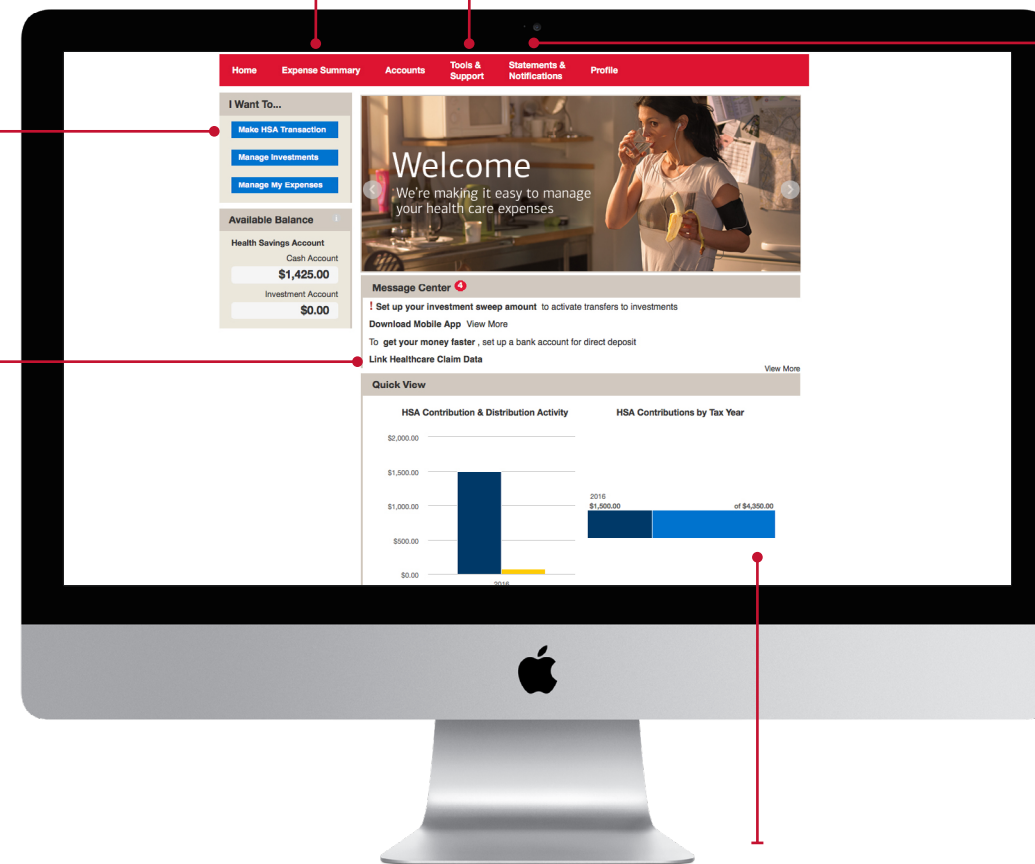
Any forms you may need can be found under “Tools & Support.”

Account statements

Quarterly statements will be generated and available on the member website within 5 business days of the first month of the quarter.

Your HSA statement will reflect activity for both your HSA Cash Account and any balance in your Investment Account.

Note: Most people prefer to receive an online statement, but you can also opt in to a paper statement that will be mailed by the 10th business day of the first month of the quarter.



Charts and graphs:

Use the charts and graphs function to manage contributions and expenses. Based upon your plan type and age, your personalized contribution history and limits will be reflected.

More about managing your account

Receipt storage

This convenient feature allows you to upload and store an electronic copy of receipts for medical expenses. You can view receipts for unpaid claims or go ahead and attach them to a transaction for payment. Receipts will be stored for 7 years.

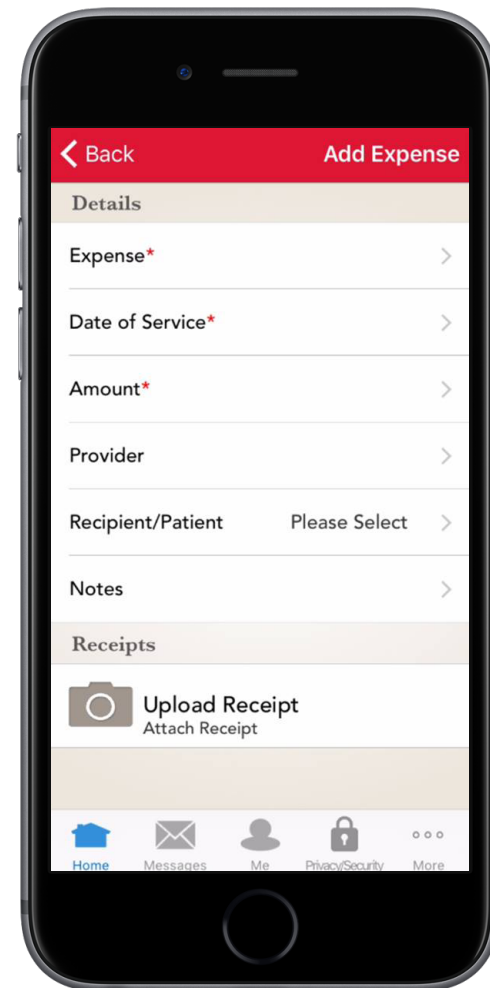
There are two ways you can upload receipts:

MyHealth mobile app

1. From the home screen, select “Expenses”
2. Create “New Expense”
3. Enter the expense, date of service and amount.
4. Select “Upload Receipt” to take a picture of your receipt.
5. Click “Add Expense” to upload the receipt

Member website

1. On the “Expense Summary” tab, select “Add Expense”
2. Enter the description, date of service and amount
3. Upload a receipt



Add an authorized user

An authorized user is someone you give permission to access your account information and/or make transactions on your behalf. To add an authorized user to your HSA, you'll need to complete one of two forms.

1. Authorized User Form*
Use this form to only grant permission for someone to contact Customer Care and access account information, but not to make any transactions on your behalf.
2. Power of Attorney Form*
Use this form to grant permission for someone to contact Customer Care, access account information and make transactions on your behalf.

What to do in the event of death

Survivors should complete the HSA Beneficiary Account Distribution Form.* Or, contact our Customer Care Center to have a form sent in the mail.

Note: If the beneficiary is the spouse, the HSA will be transferred to the spouse's name. If anyone other than a spouse, a distribution will be made to that person when the proper documentation is received, and tax forms will be mailed at the end of the year. If no beneficiary was designated, the assets in your HSA will be distributed to your estate and included in your final income tax return.



*Forms:

All forms can be found on the member website in “Tools & Support,” under “Forms”.

Tax time information



Since your HSA is a tax-advantaged account, the IRS requires that you report your contributions and distributions on your tax return. Bank of America will mail you both form 1099-SA and 5498-SA for these purposes. Or, you can access your tax information anytime throughout the year.

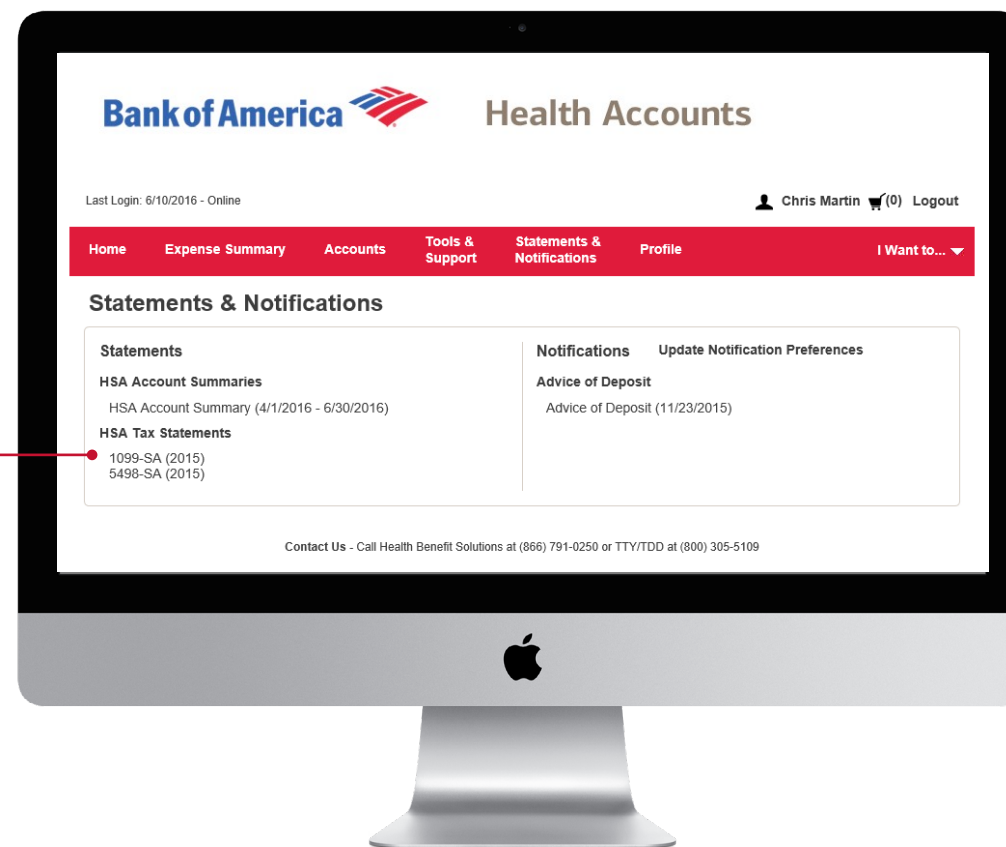
Note: If you use your HSA funds to pay for products or services that aren't qualified health care expenses, you may be required to pay income taxes on the amount.

Access your tax information online – anytime



It's convenient to access your HSA tax summary information on the member website. Just go to "Statements & Notifications" and choose "HSA Tax Statements."

FYI An email notification will be sent when your tax documents are available online.



Form 1099-SA

You'll use this form to report your distributions on your tax return. If you received distributions from your HSA during the previous calendar year, we will mail you Form 1099-SA by January 31st of the following year.

Note: You are not required to include the amounts reported on this form as income unless they were used for non-qualified expenses.

Form 5498-SA

This form is used to report contributions and/or rollovers into your HSA for the previous tax year. We will mail it to you in May of each year, allowing you to capture all contributions made up until the federal tax filing deadline.

Note: This form is not needed for your tax returns.

Form 8889

Your tax preparer uses this form, along with form 1099-SA, your W-2 and others, to complete your tax return. It is used to calculate your HSA deduction amount and to report any distributions you may have had.

Note: Please consult your tax advisor for questions regarding your HSA and the filing of your tax returns.

Your HSA is yours...for life



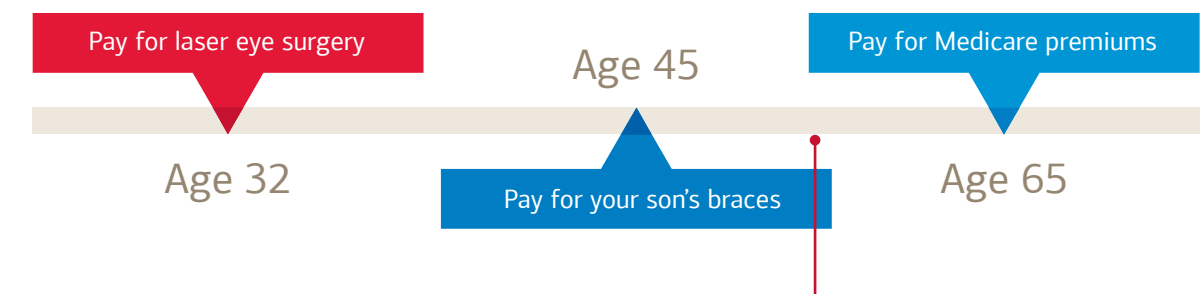
There is no time limit on when to spend your HSA funds. Even if you change health plans, switch jobs or retire, your HSA goes with you. It's yours...for life, and the funds never expire.

Any dollars you don't use now can be saved to pay for planned or unexpected health care expenses in the future.

Why it works

- You can use your HSA for eligible health care expenses that are not covered 100% by your health care plan – like prescriptions, deductibles, physician office copayments, dental and vision expenses when needed.
- You have the option to save some or all of your HSA dollars for the future to pay for planned or unexpected health care expenses.
- Think about retirement. Invest and manage some or all of your HSA funds – like a health care nest egg – and save for the future whether that's next year or 10+ years from now! Remember it's yours...for life.

You never lose it!



At age 55, you can also make a "catch-up contribution." For more information, [go to page 12](#) of this guide.

Never lose it

Retire well

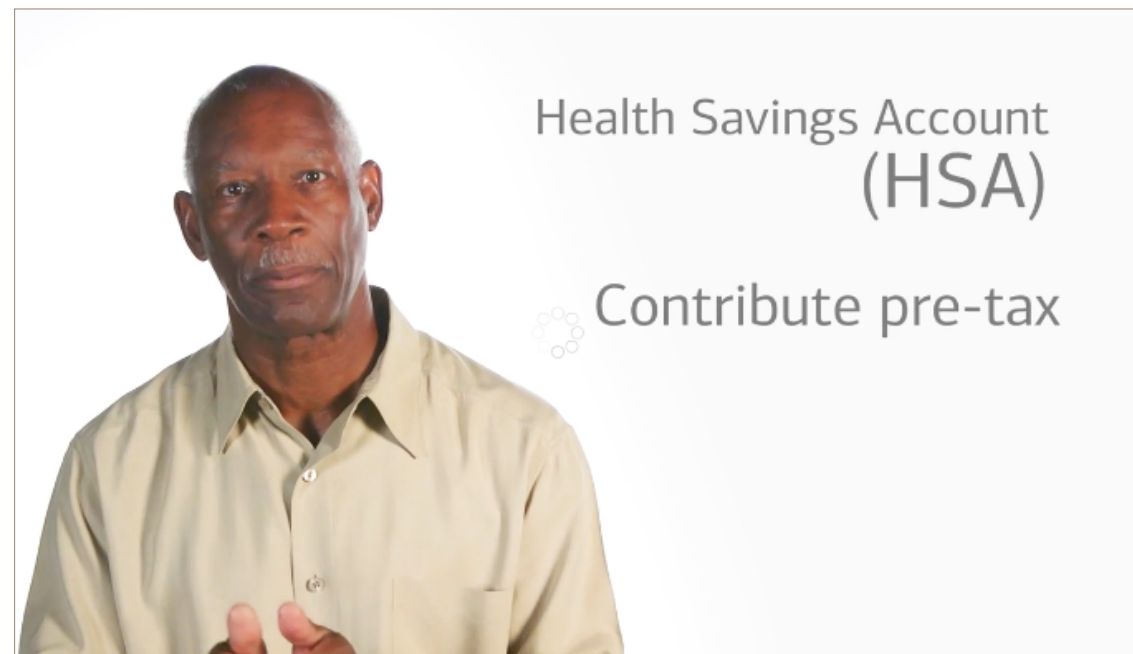
A healthy couple may need up to \$400,000 for health care expenses after they retire. If you're thinking Medicare will cover all of your expenses, then you should consider this:

Your health care is directly tied to living financially well – especially as we live longer.

Making informed decisions around health and money can prepare you for the future. A properly managed HSA can cover the Medicare gap, even for vision and dental expenses that may not be covered by Medicare.

What are other people doing?

Watch how Bill is using his HSA to save for health care needs during retirement.



How an HSA could work with a 401(k) plan

1. If your employer matches your 401(k) contributions, maximize up to their match amount
2. Then, it's a good idea to fund your HSA to the annual maximum contribution limit
3. Any remaining funds can then be added to your 401(k), up to the maximum annual limit

Make the most of your spending power

When paying for health care costs in retirement, the HSA is a smart way to go. The money you contribute is not only tax deductible with tax-free growth, but can also be used to pay for health care expenses tax-free. This example illustrates the tax benefits of using an HSA compared to a 401(k) for health care expenses in retirement.

Example:

Bill and Shirley expect to have more than \$20,000 in medical expenses this year including Medicare costs, hearing aids and a possible shoulder surgery. If they use their HSA, the money is tax-free. However, if they withdraw funds from their 401(k), they will need to withdraw a larger amount to net \$20,000.



HSA option: \$20,000

Bill and Shirley withdraw \$20,000 tax-free.

401(k) option: \$24,000

Bill and Shirley withdraw \$24,000 at an assumed income tax rate of 17% to achieve a net amount of \$20,000.

This hypothetical example is meant for informational purposes only and does not represent a real investment. Please consult your tax or legal advisor regarding specific use of HSAs.



Using your HSA for other expenses:

The funds in your HSA are yours for life and can also be used to pay for non-medical expenses. However, these withdrawals are taxable.

Investment FAQs

When am I eligible to invest in my HSA?

Once you have elected to have an Investment Account, have established your threshold and your balance is at least \$100 over your defined threshold, you can start investing. The minimum threshold is \$1,000. When you meet these requirements, and as long as there are no pending HSA transactions, the system will automatically create an investment BUY sweep.

Are there fees associated with investing?

There are no transaction fees to BUY or SELL investments within your Bank of America HSA, nor are there any fees to enroll in the Investment Account. Mutual funds do have internal expenses, which can be found in the prospectus, which is available on the investments website. Some mutual funds may also impose a short-term redemption fee on the proceeds of the fund shares that are redeemed within a defined period of their purchase as defined in the prospectus.

What is the difference between the Cash and Investment Accounts within my HSA?

The Cash Account is an interest-bearing, FDIC-insured savings account used to pay for qualified medical expenses. The HSA Investment Account allows you to invest in a broad range of mutual funds. The Investment Account is not FDIC-insured, is not bank guaranteed, and may lose value.

What happens if my Cash Account balance falls below my set threshold (\$1,000 minimum)?

If investment funds are available, the system will automatically create an investment SELL sweep. Your mutual funds will be sold, pro-rata (a proportionate allocation), based on your fund balances for the amount required to replenish your Cash Account as long as there are no pending HSA transactions.

Do I pay taxes on the interest I earn on my investments?

No. Investment earnings, including dividends, are not considered taxable income. Distributions from your HSA that are used for qualified health care expenses are tax-free. Taxes, as well as an additional 20% tax may apply to non-qualified distributions.

What are the mutual fund options and performance for each?

Your mutual fund options, fund fact sheets, prospectuses and returns can be found on the investments website under “Investment Account Information.”

Is there a limit to the number of investment SELL transactions I can make per day?

Yes, you can only place a SELL/REALIGN/TRANSFER transaction when you have no outstanding SELL/REALIGN/TRANSFER transactions that are Pending or In-process status.

What is auto-rebalance?

It's a feature you may elect within your Investment Account which automatically realigns your Investment Account to your pre-determined investment allocation based on the cycle you define. Rebalancing does not ensure profit or protect against loss.

If I have a debit card purchase above \$1,000, will a portion of my portfolio automatically be sold to cover that expense?

No. The funds in your Cash Account are the ONLY funds that are accessible through your HSA debit card. If you do not have enough funds in your Cash Account to cover a debit transaction, the transaction will be rejected at the point of sale. You do have the option to increase your threshold if you anticipate a large transaction. [See page 15 of this guide for details.](#)

Since only the Cash Account can be used for payments, what do I do if I need money before the proceeds from the sale of investments have settled in my Cash Account?

You can pay for the medical expense by using another form of payment and then reimburse yourself when the funds are available in your HSA Cash Account. Settlement of dollars back into the Cash Account may take up to five (5) active trading days.

Visit the Investment section of [saveituseit.com](https://www.bankofamerica.com/saveituseit) for more information on investments.

Want to get started together?

We can walk you through the process and answer any questions you may have along the way.



Online chat available

8:00 a.m. – 8:00 p.m. (Eastern)

Monday - Friday



Call one of our Customer Care associates available 24/7

You can find the number on the back of your debit card

800.305.5109 TDD

Case studies are examples meant for informational purposes only and may not be real customers. Please consult your tax or legal advisor regarding specific use of health savings accounts. Investments can lose money.

The computer screen images shown in this guide are intended to illustrate the functionality and services available to participants on the member website and investments website. They are not meant as exact representations of the screens available to you.

1 "Never Lose it" refers to account portability and annual rollover of accumulated assets; it does not imply you cannot lose money. The investment portion of the HSA account is not FDIC insured, not bank guaranteed and may lose value.

2 This HSA debit card program is issued by Bank of America, N.A. Visa is a registered trademark of Visa International Service Association, and is used by the issuer pursuant to license from Visa U.S.A. Inc.

3 Data connection required. Wireless carrier fees may apply. Mobile app not available on all devices.

4 Apple, the Apple logo, iPhone, and iMac are trademarks of Apple Inc., registered in the U.S. and other countries. App Store is a service mark of Apple Inc. Android, Google Play, and the Google Play logo are trademarks of Google, Inc.

5 About Tax Benefits: You can receive tax-free distributions from your HSA to pay or be reimbursed for qualified medical expenses you incur after you establish the HSA. If you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% tax. Any interest or earnings on the assets in the account are tax-free. You may be able to claim a tax deduction for contributions you, or someone other than your employer, make to your HSA. Certain limits may apply to employees who are considered highly compensated key employees. Bank of America recommends you contact qualified tax or legal counsel before establishing an HSA.

6 You may want to consult with your financial advisor or tax professional to determine whether you've already contributed the maximum.

7 Withdrawals for non-eligible health care expenses are subject to income tax.

8 Charges must be reported within 60 days of receiving statement.

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