

HSA Basics

A Health Savings Account (HSA) is an account that you can put money into on a tax-free basis to pay for current health expenses and to save for future health expenses.

Basic HSA Eligibility Requirements

- You must be covered under a High Deductible Health Plan (HDHP).
- You must have no other health insurance coverage (except for permitted coverage).
- You must not be enrolled in Medicare.
- You cannot be claimed as a dependent on another person's tax return.

High Deductible Health Plans (HDHPs)

- An HDHP is a health insurance plan with a minimum deductible of \$1,100 for individual coverage and \$2,200 for family coverage.*
- The maximum annual out-of-pocket expenses, including deductibles and copayments, cannot exceed \$5,600 for individual coverage and \$11,200 for family coverage.*

HSA Contribution Requirements

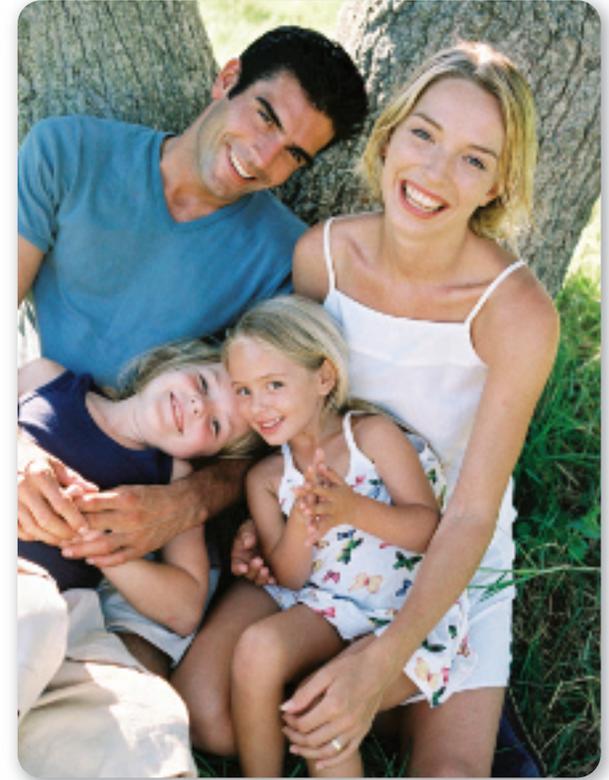
- Contributions may be made by anyone, including the employee and employer.
- Contributions are limited to a maximum of \$2,900 for individuals and \$5,800 for families.*
- Contributions remain in the account from year to year until they are used.

*2008 HSA statutory minimums and maximums. Amounts are adjusted annually.

Additional HSA information can be obtained at www.irs.gov/publications/p969/ar02.html#d0e159

American Family Life Assurance Company of
Columbus (Aflac)
Worldwide Headquarters • Columbus, GA 31999
aflac.com

What are you doing to make sure you have enough money in your Health Savings Account (HSA)?



Ask your Aflac insurance agent/producer for details about our wide range of HSA-compatible insurance policies for all types of consumers.



HSA/HDHP (Health Savings Account/High Deductible Health Plan) arrangements offer a great opportunity to lower the cost of medical insurance; however, they leave you with the responsibility of funding a savings account as well as covering your deductibles, coinsurance, copayments, and other out-of-pocket expenses.

- 1. What will you do if something happens to you or your family before enough money has been saved in your HSA?*
- 2. What will you do if you use all of your HSA funds one year, and then something happens next year?*
- 3. How will you pay your everyday bills when you are sick or injured since HSA funds are to be used for qualified medical expenses?*
- 4. Will you sacrifice making smart medical decisions (like important doctor visits) so you can build up money in your HSA?*

Something to think about:

- In 2005, the average hospital stay was 5.6 days, and cost \$8,534.90.**

For a family:

- The annual contribution maximum allowed to an HSA is \$5,800.***
- Annual out-of-pocket expenses for a high deductible health plan can reach \$11,200,** depending on the plan.*

The impact:

- A family would have to save for almost two years at the maximum contribution level to reach the \$11,200** out-of-pocket maximum.*

For an individual:

- The annual contribution maximum allowed to an HSA is \$2,900.***
- Annual out-of-pocket expenses for a high deductible health plan can reach \$5,600,** depending on the plan.*

The impact:

- An individual would have to save for almost two years at the maximum contribution level to reach the \$5,600** out-of-pocket maximum.*

**Hospital Statistics© 2007 Edition, Health Forum LLC, an affiliate of the American Hospital Association.*

***2008 HSA statutory minimums and maximums. Amounts are adjusted annually.*

So how are you going to put so much money into your HSA year after year?

Aflac has many HSA-compatible insurance policies for all types of consumers.

- Aflac may ease the worry that the HSA may not have enough money to cover out-of-pocket expenses like deductibles, copayments, and other treatment-related costs.*
- Aflac pays you cash benefits (unless otherwise assigned) that can be used however you choose—toward everyday living obligations like mortgage or rent payments, utilities, food, or gas.*
- Aflac may give policyholders the option of not depleting their HSAs, thereby maximizing the benefits and allowing the accounts to grow for future needs.*

