



AXISPLUS

BENEFITS

PRODUCTS THAT SUPPORT LIFE

**HEALTH SAVINGS ACCOUNTS
LIMITED FLEXIBLE SPENDING ARRANGEMENTS (FSA)
HEALTH AND DEPENDENT CARE FSAS**




OVERVIEW

About AxisPlus Benefits

AxisPlus administers both health savings accounts and flexible spending accounts for School Districts and government entities across the nation. HSA and FSA accounts allow individuals to pay for qualified medical, dental, and vision expenses with pre-tax dollars.

Health Savings Accounts are very unique and offer many exciting benefits which we'll discuss today.

At the bottom of the slide, there are two overlapping geometric shapes: a light purple triangle on the left and a light green triangle on the right, both pointing upwards.

WHAT WE'LL COVER TODAY

Today we'll be discussing the following topics:

- What is a Health Savings Account (HSA)
- 10 reasons why your District should consider offering HSAs
- Next steps if your District is interested in offering HSAs

What is a
Health
Savings
Account?

WHAT IS A HEALTH SAVINGS ACCOUNT (HSA)?

A Health Savings Account (HSA) is an individually owned tax-advantaged medical expense savings account available to eligible individuals enrolled in a qualified high-deductible health plan.

An HSA allows employees to pay for qualified medical/dental/vision expenses with pre-tax dollars.



10 Reasons Why Your District Should Consider Offering HSAs

10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #1: Tax Savings

By offering HSAs, your District can possibly save thousands of tax dollars each year. With each pre-tax dollar that an employee contributes into an HSA, the district saves on FICA taxes.

For 2014 our districts who offered HSAs had an average annual FICA tax savings of **\$14,650!**



10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #2: Boost employee morale by offering a beneficial member service

HSAs offer a variety of advantages to your employees including:

- Tax free contributions, tax free distributions, and tax free growth
- The ability to invest the HSA funds similar to an IRA
- HSA funds rollover year to year (no use-or-lose)
- HSAs are portable, meaning that even after the employee retires or leaves the district they will still have access to their HSA funds

10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #3: More flexibility with contributions and simpler distributions

- Unlike an FSA and HRA, both employees and employers can contribute into an HSA, meaning potentially greater tax savings for your district.
- Can contribute up to \$3350 single/\$6650 family annually (annual limit set by IRS each year)
- HSAs are self adjudicated, employees do not need to have the HSA service provider review the expense in order to be reimbursed.



10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #4: Less reporting requirements when compared to an HRA

When districts offer HRAs they are required to complete the following:

- Medicare Part D Credible Coverage Disclosure
- Medicare Secondary Payer (MSP) report with the CMS

Employers who offer HSAs are not required to submit any of the above reports. In addition, HSA plans are not considered ERISA plans and thus are not subject to COBRA and the various obligations that come with that.

10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #5: Simple set up and implementation

Because of the guidelines already in place with HSAs, there are far less variables when it comes to implementation when compared to an FSA and HRA. The setup is simple and painless!



AXISPLUS  Employer Information & Funding Form

GENERAL INFORMATION

ENTITY NAME: (Enter name exactly as it appears on tax returns and is to appear in the documents.)

FEDERAL TAX ID NUMBER: DATE INCORPORATED/ORGANIZED:

MAILING ADDRESS:

CITY: STATE: ZIP:

STREET ADDRESS: ZIP:

ORGANIZATION TYPE: ☐ Corporation ☐ Sub-chapter "S" Corporation ☐ Other: _____
☐ Professional Corporation ☐ Professional Association
☐ Partnership ☐ Sole Proprietorship
☐ Government Agency ☐ LLC Limited Liability Company

EMPLOYER PRIMARY CONTACT

NAME: TITLE:

EMAIL: PHONE: FAX:

HSA FUNDING METHOD (Please check all that apply and complete)

Please choose a HSA funding method:

☐ Fund by Employer or AxisPlus Benefits check made payable to HSA Today

☐ Fund by EFT draft. CFS will draft funds from the following Employer bank account. Please complete bank section below or attach a voided check (No fee for EFT draft). HSA Transmittal Register must be completed for each transfer of funds.

Name of Bank: _____

Name on Account: _____

Bank ABA/Routing No: _____

Bank Account No: _____

☐ Fund by wire transfer. Employer or AxisPlus Benefits initiates a wire transfer of funds into the HSA Today wire account. Please contact CFS at 800-650-0284 and CFS will supply the bank account information to complete the wire transfer. Must complete HSA Transmittal Register to notify CFS of funds wired to this account. (Wire Fee of \$30.00 - must be included in transfer amount. Wire fee will not be waived)

☐ Fund by ACH Transfer. Employer or AxisPlus Benefits will push funds to the same account given by CFS via an ACH Transfer. (No Fee)

HSA FUNDING FROM AXISPLUS BENEFITS BANK ACCOUNT (Please check all that apply and complete)

☐ Funded via AxisPlus Benefits account. No fee for EFT draft. AxisPlus Benefits must complete a transmittal register each time there are funds that must be drafted from an account.

Bank Name: _____ AxisPlus Benefits Bank Routing: _____

AxisPlus Benefits Bank Account #: _____ ☐ Checking ☐ Savings

REQUIRED SIGNATURES (AxisPlus Benefits Signature Required)

EMPLOYER NAME: SIGNATURE: DATE:

PSP NAME: SIGNATURE: DATE:

AXISPLUS BENEFITS

10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #6: Consumer Spending

HSAs were established to help employees realize the true costs for healthcare and once realized spend less because of it. Some recent studies suggest that employees who enroll in a Consumer Driven Health Care Plan, typically cost less for employers and builds value overtime.



*Source: Consumer Driven LLC

10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #7: HSAs Promote Healthier Employee Lifestyles

HSAs give employees control of their healthcare decisions. Any funds left in the HSA at the end of the year are rolled over, thus by the time employees retire, they could have a significant amount saved for health care costs. Because of the transparency in healthcare costs, HSAs promote employees to live a healthier lifestyle and utilize health care less.



10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #8: Premiums for High Deductible Health Plans Typically Cost Less

Because of the reduced risk for insurance carriers due to the higher deductible, Districts can typically save on premiums by offering a high deductible health plan.

- HSA qualified HDHPs generally require employees to pay 100% of their medical expenses until the deductible is met (not including preventative care)
- Districts should consider offering the savings of premiums as an employer contribution to encourage enrollment



10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #9: HSAs Simplify the Responsibilities for Account Holders and Employers

The IRS puts the bulk of responsibility on HSA account holders to ensure that they are using the HSAs correctly.

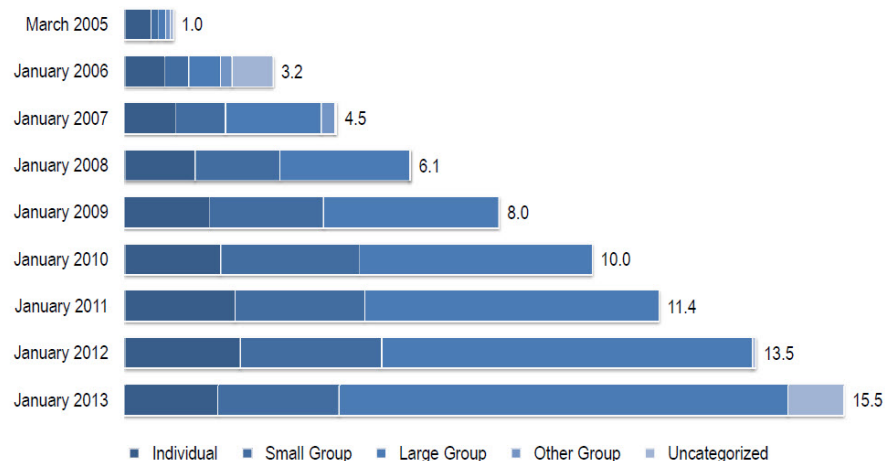
- HSA account holders attest, when enrolling, that they are responsible for remaining eligible for the HSA, however your HSA service provider should still continually monitor eligibility
- Once enrolled, HSA account holders do not need to re-enroll each year
- HSA claims can be self adjudicated or adjudicated by your HSA service provider if desired. Your HSA service provider should monitor reimbursement claims regularly to ensure proper HSA usage
- HSA account holders report, when filing their taxes, whether they used the HSA properly
- The day-to-day questions and customer service is directed towards your HSA service provider

10 REASONS WHY YOUR DISTRICT SHOULD CONSIDER OFFERING HSAS

Reason #10: HSAs are Increasingly Growing in Popularity and Knowledge

HSAs have seen consistent growth and popularity. With an estimated 15.5 million covered HSA individuals, HSAs have a secure place in today's health care landscape.

Growth of HSA-Qualified High-Deductible Health Plan Enrollment,
Covered Lives (Millions), March 2005 to January 2013



Sources: AHIP Center for Policy and Research, 2005 – 2013 HSA/HDHP Census Reports.

Notes: For this census, companies reported enrollment in the large- and small-group markets according to their internal reporting standards, or by state-specific requirements for each state. The "Other Group" category contains enrollment for companies that could not break down their group membership into large- and small-group categories within the deadline for reporting. The "Uncategorized" category was necessary to accommodate companies that were able to provide information on the total number of people covered by HSA/HDHP policies, but did not provide a breakdown by market category within the deadline for reporting. HSAs were authorized in 2003 and entered the market in January 2004.

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Reason #10: HSAs are Increasingly Growing in Popularity and Knowledge



Next Steps

NEXT STEPS

If you are considering offering HSAs in your district, AxisPlus Benefits has been exclusively serving school districts across the country since 1985. Listed below are just three of the advantages of having AxisPlus Benefits be your service provider:

- AxisPlus Benefits has a wide variety of custom designed materials to help educate your employees of the benefits of an HSA.
- A highly qualified, capable, and knowledgeable staff.
- The same amazing customer service you've come to expect with USBA



SAVE TODAY FOR A HEALTHY FUTURE

QUESTIONS?