

Health Savings Administrators

Take control of your health care expenses.

Who Should Have An HSA?

- ❖ Healthy individuals or families. If you and your family rarely use your health insurance you can pay a lower premium and put the difference in your HSA. It's use it or keep it!
- ❖ People who want to build a savings account for future use can establish a tax free method with an HSA.
- ❖ Individuals looking at retirement. This account can be used for eligible medical expenses even after enrolling in Medicare. In fact, Medicare deductibles and Part B and Part D premiums can be paid tax free from the account.
- ❖ Taxpayers looking to reduce their Federal and State income taxes.
- ❖ Those wishing to supplement their retirement income. Account holders can withdraw for any non-medical expense just like a pension or IRA plan. (The HSA early withdrawal penalties are waived after age 65.)

Plan Details

- ❖ You **cannot** be covered by: your spouse's health insurance plan, Tricare, or Medicare.
- ❖ You cannot participate in the 2007 Flexible Spending Account (Childcare FSA is allowed)
- ❖ No minimum contribution
- ❖ Withdrawals from Vanguard – submit reimbursement request form – no need to send receipts
- ❖ Withdrawals from Resource Bank – Use debit card or optional checks

Tax Advantages

- ❖ Your contributions through a Section 125 payroll withholding are pre-tax
- ❖ Any additional contributions you make direct to your account are tax deductible
- ❖ Withdrawals for eligible medical expenses are tax-free. This includes medical, dental, and vision expenses.
- ❖ Withdrawals for any other non-medical reasons are allowed but are taxable and subject to a 10% penalty. (Penalty does not apply after age 65.)

Maximum Annual HSA Contribution For 2007

- ❖ Single Account – \$2850
- ❖ Family Account – \$5650
- ❖ Catch up provision if you are age 55 by 12/31/07 - \$800 for account holder only
- ❖ Maximum includes employer contribution
- ❖ Note: Unless you meet the requirements outlined below, your contribution must be prorated based on the number of full months during 2007 that your insurance is in force. Divide the maximum, including any catch-up by 12, then multiply by the number of full months your insurance will be in force during 2007.
- ❖ If you become eligible for an HSA anytime on or before December 1 of any year you can contribute as if you were eligible for the entire year. This is true as long as you continue to be covered by a qualified high deductible health plan (HDHP) for a 12 full months beginning with December of the year in which you became eligible for an HSA.

Investment Options

Vanguard No-load mutual funds are available through Health Savings Administrators – no minimums.

- ❖ Choice of 21 Vanguard® no-load mutual funds
- ❖ Low expense ratios
- ❖ No transaction or redemption fees
- ❖ Not FDIC insured

OR

Debit Card from Resource Bank in Virginia Beach

- ❖ Pays 2% APR on Balances from \$1000-\$4999
- ❖ Pays 3.5% APR on Balances of \$5000 and over
- ❖ FDIC insured
- ❖ Optional checks available

How Do You Get Started?

- ❖ Select your HSA high deductible insurance coverage.
 - ❖ Complete the attached HSA enrollment form or enroll online at www.HSAadministrators.com
 - ❖ Select your investment option – Vanguard fund or Resource Bank debit card
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Vanguard® No-Load Mutual Funds

Available at Health Savings Administrators, are 21 Vanguard® funds each having distinct investment management objectives, strategies, risks and policies. The Vanguard® Group provides investors with access to some of the leading money managers from around the world. They utilize a multi-manager approach to investing to provide greater diversification within each portfolio. Read the current prospectus on funds that interest you (available at www.vanguard.com) for more information prior to investing.

Securities offered through The Vanguard Group, Member NASD SIPC. Security products: **Not insured by FDIC or any Federal Government Agency; May Lose Value; Not a Deposit of or Guaranteed by the Bank or any Bank Affiliate.**

Least Risk 	Vanguard® Prime Money Market Fund Investor Shares	VMMXX
	Vanguard® LifeStrategy Income Fund	VASIX
	Vanguard® Total Bond Market Index Fund Investor Shares	VBMFX
	Vanguard® LifeStrategy Conservative Growth Fund	VSCGX
	Vanguard® Wellington™ Fund Admiral Shares	VWENX
	Vanguard® LifeStrategy Moderate Growth Fund	VSMGX
	Vanguard® STAR Fund	VGSTX
	Vanguard® Windsor™ II Fund Investor Shares	VWNFX
	Vanguard® LifeStrategy Growth Fund	VASGX
	Vanguard® 500 Index Fund Admiral Shares	VFIAX
	Vanguard® Total Stock Market Index Fund Investor Shares	VTSMX
	Vanguard® Social Index Fund Investor Shares	VFTSX
	Vanguard® Selected Value Fund Investor Shares	VASVX
	Vanguard® Morgan™ Growth Fund Admiral Shares	VMRAX
	Vanguard® International Growth Fund	VWIGX
	Vanguard® Mid-Cap Index Fund Investor Shares	VIMSX
	Vanguard® Total International Stock Index Fund Investor	VGTSX
	Vanguard® Extended Market Index Fund Investor Shares	VEXMX
	Vanguard® Strategic Equity Fund	VSEQX
Vanguard® Small-Cap Index Fund Investor Shares	NAESX	
Most Risk	Vanguard® Mid-Cap Growth Fund Investor Shares	VMGRX

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Fees

Account Set-up Fee	\$20.00
Administration Fee	\$39.00 per year
Mutual Fund Specific Fees	Account maintenance fee- .0009 per quarter times account balance, capped at \$20,000 account balance per fund. Mutual Fund Account maintenance fees will be deducted from account balance quarterly
Debit Card Specific Fees	Resource Bank Debit Card account fee- \$ 2.00 per month additional

Resource Bank, Custodian
c/o Health Savings Administrators
10800 Midlothian Turnpike, Suite 240
Richmond, VA 23235
Phone: 888-354-0697 • Fax: 804-355-5375

Health Savings Account Enrollment Form

Individual Enrollment

Office Use: Date	___/___/___
Cust#	_____ - _____
RAN	38 - 00000 - 01
RB#	_____

Your Information

Social Security # _____ - _____ - _____ Date of Birth _____ - _____ - _____

First Name _____ MI _____ Last Name _____

Address _____ City _____ State _____ Zip _____

Day Phone # () _____ Home Phone # () _____ Email address _____

This Account is: Single Family Spouse _____ Date of Birth _____ - _____ - _____

All statements are sent via email. You may receive statements via U.S. Postal service by checking this box.

Form of Identification (*Required – Check the appropriate box and fill in the identification number from that document*)

Driver's License State ID Passport ID# _____ State Issued _____

Date of Issuance ___/___/___ Date of Expiration ___/___/___

Note: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Insurance Information	Employer Information
Insurance Company _____	Employer Name _____
Annual Insurance Deductible \$ _____	Mailing Address _____
Insurance Effective Date ___ - ___ - _____	City State Zip _____

Health Savings Account Options

You may choose either the Vanguard® Mutual Funds or the Resource Bank Health Savings Debit Card to be used in conjunction with your Health Savings Account.

- I choose to invest in the Vanguard® Funds. I have received and read the current prospectus (available at www.Vanguard.com) for the fund(s) in which I am investing, and agree to be bound by its (their) terms. I recognize that the performance data featured represents past performance, which is no guarantee of future results. Share price, yield and return will vary and I may have a gain or loss when I sell my shares. I have authority and the legal capacity to purchase mutual fund shares, am of legal age and believe each investment is suitable for me. It is my responsibility to obtain and read the prospectus of any fund into which I exchange. My fund selection is indicated below: (Please choose **only one fund** from the Vanguard® choices on our web page):
Fund Name: _____ Symbol _____

OR,

- I choose to apply for the Resource Bank Debit Card. I have read and received Resource Bank Privacy Notice and Debit Card Account Agreement and Disclosure and will be subject to the terms that have been provided to me. I authorize the Financial Institution to make any investigation of my credit, either directly or through any agency. I understand that the Financial Institution will retain this application and any other credit information, even if this Debit Card is not granted. I agree not to use the Debit Card in any illegal activity.
 Please provide me with checks in addition to my debit card.
I realize there is a fee for these checks that will be deducted from my account.

Securities offered through The Vanguard Group®, Inc. Security products: **Not insured by FDIC or any Federal Government Agency; May Lose Value; Not a Deposit of or Guaranteed by the Bank or any Bank Affiliate.**
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Terms and Fees

The undersigned agrees to the following provisions:

- I hereby appoint Resource Bank (Custodian) Health Savings Administrators (Administrator) as administrator of my Health Savings Account and I agree to the following fees. I recognize that my employer may pay some or all of these fees. Should I terminate my employment, I will be responsible for payment of all prevailing fees. In the event of non-payment, Health Savings Administrators is authorized to deduct them from my account.
- Fees: Initial set up fee \$20.00; Annual Administration fee is \$39.00 for all accounts

Terms and Fees Continued

- 3. I authorize Resource Bank (Custodian) Health Savings Administrators (Administrator), to on my behalf for all transactions, including the payment from my account of any separate fees which may be charged by the agent or custodian.
- 4. Account maintenance fee: .0009 per quarter on the investment balance.
- 5. I certify that I am covered by a qualified High Deductible Health Plan (HDHP) as defined by the Internal Revenue Code (Code), I am not covered by a health plan, other than a HDHP, which provides any of the same benefits as the HDHP, I am not entitled to benefits under Medicare, and I may not be claimed as a dependent on another person's tax return.
- 6. I authorize Health Savings Administrators, LLC to pay all reimbursement requests submitted by me from my custodial HSA account.
- 7. I am responsible for determining my eligibility for making contributions to my HSA and for ensuring that those contributions are within the limits set forth by the Code.
- 8. I am responsible for all tax consequences of any contributions and/or distributions.
- 9. I have received a copy of the Application and the Health Savings Account Custodial Account Agreement. I agree to all terms and conditions of this Agreement. I understand that the terms and conditions that apply to this HSA are contained in this Application and the Agreement. I agree to be bound by those terms and conditions.

Beneficiary Information

The following individual(s) or entity shall be my primary and/or contingent beneficiary(ies). If neither primary nor contingent is indicated, the individual or entity will be deemed to be a primary beneficiary. If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the account. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally. If primary or contingent beneficiary dies before me, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro-rated basis. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated share of my account.

Name	Relationship	DOB	SSN	Primary or Contingent	% of benefit

Signature

Under penalties of perjury, I certify that the Social Security Number shown on page one of this application is my correct taxpayer identification number, I am a U.S. person (including a U. S. resident alien), and that (check appropriate box):

- I am not subject to backup withholding either because I am exempt from backup withholding, or because I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends, or because, the IRS has notified me that I am no longer subject to backup withholding.
- I am subject to backup withholding

I understand the eligibility requirements for the type of HSA deposit I am making and confirm I qualify to make the deposit. I hereby hold Resource Bank, Health Savings Administrators, LLC and their officers, employees, agents and subcontractors harmless from any liability for effecting transactions and interpreting the tax status of all reimbursements. Purchases made with the Debit Card will be reported by the Bank as "normal distributions." I understand I should not use my debit card or checks for non-qualifying or non-medical purposes and that I am responsible for any IRS penalties. I understand that I am responsible for any and all tax consequences should I submit an HSA withdrawal form for any non-qualifying or non-medical transaction.

Signature _____ Date _____ - _____ - _____

Deposit Calculations

One Time Set Up Fee	\$ 20.00
Annual Administration	\$39.00
Current Deposit – Indicate Year of Contribution _____ (required)	\$
Total of fees and deposit	\$

NOTE: Please make check payable to Resource Bank

Please mail this form, along with your check, to:

Health Savings Administrators - 10800 Midlothian Turnpike, Suite 240 - Richmond, VA 23235