



Account type	Custodial account
Description	A custodial account established for the purpose of paying qualified medical expenses of the account beneficiary who is covered under a qualified high-deductible health plan (HDHP).
Must be paired with a health plan	Yes. A qualified HDHP must be in force before an HSA can be established.
Who is eligible?	Individuals who meet all of the following requirements: (1) Covered under an HDHP on the first day of the month (2) Not covered by any other health plan that is not an HDHP (3) Not entitled to benefits under Medicare (4) Not claimed as a dependent on another person's tax return. There is no restriction on group size.
Ownership	Individual/Employee
Portable	Yes
Funding/contribution	Employee and/or employer/anyone
Do funds roll over?	Yes. Funds that are not used remain in the account from year to year.
Minimum deductible amounts for HDHP	Individual — \$1,100 Family — \$2,200
Annual HSA contribution limits	Individual — \$2,850 Family — \$5,650
Catch up contribution for individuals 55 and over	\$800
Annual out-of-pocket limits	Individual — \$5,500 Family — \$11,000
Eligible medical expenses	Qualified medical expenses are defined in Section 213(d) of the Internal Revenue Code.
Non-eligible medical expenses	10% tax penalty and income tax prior to Medicare entitlement. If 65 years or older, funds can be withdrawn for non-medical expenses without tax penalty.
Tax advantages	Employee: (1) Pre-tax or tax-deductible contributions (2) Tax-deferred growth (3) Tax-free distributions on qualified medical expenses. Employer: Contributions are tax-deductible
Subject to COBRA	No
HSA Distributions include:	(1) Health Insurance while receiving unemployment compensation (2) Qualified Long-Term Care insurance (3) Once entitled to Medicare benefits, any insurance (including Medicare Part D) other than a Medicare supplement policy (4) COBRA premiums

Contributions and distributions limits are 2007 figures

NOT FDIC INSURED—NO BANK GUARANTEE—MAY LOSE VALUE



820 Jorie Boulevard
Suite 420
Oak Brook, Illinois 60523
800.618.6177
www.mtrustcompany.com