

## GEHA HSA/HRA Fact Sheet & Comparison

	<b>Health Savings Account</b>	<b>Health Reimbursement Arrangement</b>
<b>ELIGIBILITY</b>	<p>To have an HSA:</p> <ul style="list-style-type: none"> <li>• You must be enrolled in the GEHA Health Savings Advantage high-deductible health plan (HDHP).</li> <li>• You must not be enrolled in Medicare Part A, B or D or have other general medical insurance coverage.</li> <li>• You cannot be claimed as a dependent on someone else's tax return.</li> <li>• You must not have received VA medical services in the last three months.</li> </ul>	<p>To have an HRA:</p> <ul style="list-style-type: none"> <li>• You must be enrolled in the GEHA Health Savings Advantage high-deductible health plan (HDHP).</li> </ul> <p>If you enroll in GEHA Health Savings Advantage and do not qualify for an HSA, we will establish an HRA for you.</p>
<b>TAX ADVANTAGES</b>	<ul style="list-style-type: none"> <li>• Tax-free pass-through premium contributions</li> <li>• Tax-deductible voluntary deposits</li> <li>• Tax-free withdrawals for qualified medical expenses</li> <li>• Tax-free interest earned on the account</li> </ul>	<ul style="list-style-type: none"> <li>• Tax-free pass-through premium contributions</li> <li>• Tax-free distributions for qualified medical expenses</li> </ul>
<b>FUNDING</b>	<p>A portion of your health plan premium is deposited to your HSA each month. GEHA's contribution is based on the effective date of your enrollment.</p> <p>For 2012, GEHA will contribute:</p> <ul style="list-style-type: none"> <li>• \$62.50/month (\$750/year) for a Self-Only enrollment</li> <li>• \$125/month (\$1,500/year) for a Self and Family enrollment.</li> </ul>	<p>A portion of your health plan premium is credited to your HRA. For 2012, this will be used to fund your account annually in the amount of \$750/Self-Only or \$1,500/Self and Family.</p>
<b>ADDITIONAL CONTRIBUTIONS</b>	<p>You may make additional contributions up to an annual maximum. For 2012, the maximum annual contributions to your HSA cannot exceed:</p> <ul style="list-style-type: none"> <li>• \$3,100 for a Self-Only enrollment</li> <li>• \$6,250 for a Self and Family enrollment.</li> </ul> <p><b>Catch-up Contributions</b> For individuals between the ages of 55 and 65, the IRS will allow you to make additional catch-up contributions. In 2012, the additional catch-up contribution amount is \$1,000.</p>	<p>No additional personal contributions are allowed.</p>
<b>ANNUAL ROLLOVER</b>	<p>Yes . funds accumulate from year to year without a maximum cap.</p>	<p>Yes . credits accumulate from year to year without a maximum cap.</p>
<b>DISTRIBUTIONS</b>	<p><b>Medical expenses</b> You can use funds in your account to pay out-of-pocket health care expenses for yourself, your spouse or your dependents.</p> <p><b>Non-medical expenses</b> Up to age 65 Withdrawal of funds for non-medical expenses will create a 20% income tax penalty, in addition to any other income taxes you may owe on the accumulated funds.</p> <p>Age 65 or older You can continue to use the funds tax-free for medical expenses, or you can withdraw the funds for other purposes, subject to normal income taxes, without a penalty.</p>	<p>You can use the credits in your HRA to pay out-of-pocket health care expenses for individuals covered under your health plan.</p> <p>NA . distributions will not be made for anything other than non-reimbursed qualified medical expenses.</p> <p>NA . distributions will not be made for anything other than non-reimbursed qualified medical expenses. Under the HRA, Medicare premiums are reimbursable.</p>

AVAILABILITY OF FUNDS	<p>Funds are not available until:</p> <ul style="list-style-type: none"> <li>Your enrollment in this HDHP is effective (date is determined by your agency in accord with the event permitting the enrollment change).</li> <li>You complete the enrollment for the Health Savings Account at <a href="http://www.hsabank.com">www.hsabank.com</a>.</li> <li>GEHA receives record of your enrollment and authorizes payment for account set-up fees.</li> <li>After HSA Bank receives the completed paperwork from the enrollee, the enrollee can withdraw funds for expenses incurred on or after the date the HSA was initially established.</li> </ul>	The entire amount of your HRA will be available to you upon your enrollment in this Plan.
ACCESSING YOUR FUNDS	<p>You can access funds in your HSA through:</p> <ul style="list-style-type: none"> <li>Debit card</li> <li>Online reimbursement via i-banking</li> <li>Checks optional.</li> </ul>	<p>For qualified medical expenses covered by your health plan, you are automatically reimbursed when claims are submitted through GEHA's Health Savings Advantage high-deductible health plan.</p> <p>For medical expenses outside of your health plan, such as orthodontia, a reimbursement form will be sent to you in your HRA plan materials. Claims forms are also available on GEHA's website.</p>
EFFECTIVE DATES	<p>If you complete your HSA application timely, your HSA will be effective on the first of the month following your HDHP effective date. For most Open Season enrollees, that will be:</p> <p>Active Employees February 1, 2012</p> <p>Retired Employees January 1, 2012</p>	<p>HRA will be effective simultaneously with the HDHP effective date.</p> <p>Non-postal employees January 1, 2012; Postal employees January 1, 2012</p> <p>January 1, 2012</p>
OWNER	You own your account.	Your employer, the federal government, owns your health reimbursement arrangement.
PORTABILITY	You can take this account with you when you change jobs or retire.	<p>If you retire and remain in the GEHA Health Savings Advantage plan, you may continue to use and accumulate funds in your HRA.</p> <p>If you terminate employment or change health plans, only eligible medical expenses incurred while covered under the plan will be eligible for reimbursement, subject to timely filing requirements. Unused funds are forfeited.</p>
ELIGIBLE MEDICAL EXPENSES	Section 213 of IRS Code determines what medical expenses can be reimbursed through your HSA. See IRS Publication 502 for a complete list of eligible expenses.	Section 213 of IRS Code determines what medical expenses can be reimbursed through your HRA. See IRS Publication 502 for a complete list of eligible expenses.
LEGISLATIVE AUTHORITY	Provided by Section 223 of IRS Code and Public Law 108-173.	Provided by Section 105 of IRS Code.
ADMINISTRATOR	<p>HSA Bank P.O. Box 939 Sheboygan, WI 53082-0939 (866) 471-5964 (toll-free) <a href="http://www.hsabank.com">www.hsabank.com</a></p>	<p>GEHA, Inc. P.O. Box 168 Independence, MO 64051-0168 (800) 821-6136 <a href="http://www.geha.com">www.geha.com</a></p>
FEES	GEHA pays your HSA set-up and initial debit card fees as well as bank administrative fees.	None.