Want to reduce your taxable income and increase your take-home pay? Enroll in an HSA and start saving money for eligible health care expenses for you, your spouse and your tax dependents.

What do people love about the HSA?
• Cornell will contribute $1,000* to your HSA.
• You can contribute pretax and post-tax dollars.
• Unused funds roll over from year to year.
• Your HSA stays with you, even if you switch employers, change health plans or retire.
• If you have an HSA somewhere else, you can transfer the balance to your new HSA.
• Your money can earn interest — plus, you can enjoy investment options.

Some common eligible expenses may include:
• Deductibles, copays and coinsurance
• Eligible prescriptions
• Vision care, including LASIK laser eye surgery
• Dental care, including orthodontia

Pay the PayFlex way
Once funds are available in your HSA, PayFlex makes it easy to pay for your eligible expenses.

• Use the PayFlex Card®, your account debit card:
  - It’s a convenient way to pay for eligible expenses.
  - Expenses are paid automatically, as long as funds are available.
  - No paperwork.

• Pay yourself back: Pay for eligible expenses with cash, check or your personal credit card. Then withdraw funds from your HSA to pay yourself back. You can even have your payment deposited directly into your checking or savings account.

• Pay your provider: Use PayFlex’s online feature to pay your provider directly from your account.

Take care of your HSA, and it may grow
Once you have a minimum balance ($1,000) in your HSA, you can open an investment account. There are a variety of mutual funds to choose from. There’s also no transfer or trading fees and no minimum investment amount for a trade request.

*Cornell’s contribution will be prorated for enrollments effective after January 1, 2015.
Are you eligible for an HSA?

To enroll in an HSA, you must be enrolled in a qualified high-deductible health plan (HDHP). In addition:

- You can't have other health coverage that pays for out-of-pocket health care expenses before you meet your plan deductible.
- You or your spouse can't have a general-purpose health care flexible spending account (FSA) or health reimbursement arrangement (HRA) in the same year.
- You can't have Medicare, TRICARE or have received Veterans Administration (VA) health benefits in the previous three months.
- You can't be claimed as a dependent by someone else.

Things to keep in mind

- View the Internal Revenue Service (IRS) contribution limits and a list of common eligible expense items on the PayFlex member website.
- Annual contribution limits include contributions made by both you and your employer (if applicable).
- You can make a one-time, tax-free transfer from an Individual Retirement Account (IRA). This amount counts toward your HSA annual contribution limit.
- If you're age 55 or older, you can contribute up to an additional $1,000 annually.
- If you use your HSA for ineligible expenses, you'll need to pay income taxes and a 20 percent penalty tax on that amount. Note: If you're age 65 or older or disabled at the time of this withdrawal, you won't have to pay the penalty tax. However, you're still responsible for paying the income taxes.
- Save your itemized statements and receipts for your expenses, as well as your Explanations of Benefits (EOBs) from your insurance carrier.
- If you contribute the maximum amount to your HSA in less than a full year, the Internal Revenue Service (IRS) requires you to remain covered under the high deductible health plan (HDHP) for at least 12 months after the last day of the plan year in which you enrolled in the HDHP. Otherwise, any contributions made to the HSA for the months before the month you enrolled in the plan will be included in your gross income and subject to an additional tax of 10%.

There may be fees associated with an HSA. These are the same types of fees you may pay for checking account transactions. Please see the HSA fee schedule in your HSA enrollment materials for more information.

PayFlex Systems USA, Inc.

This material is for informational purposes only and is not an offer of coverage. It doesn't contain legal or tax advice. You should contact your legal counsel or your tax adviser if you have any questions or if you need additional information. It contains only a partial, general description of plan benefits or programs and does not constitute a contract. Information is believed to be accurate as of the production date; however, it is subject to change. For more information about PayFlex, go to cornell.payflexdirect.com.

Investment services are independently offered through a third-party financial institution. By transferring funds into an HSA investment account, you can potentially benefit from capital appreciation in the value of mutual fund holdings. However, you will also be exposed to a number of risks, including the loss of principal, and you should always read the prospectuses for the mutual funds you intend on purchasing to familiarize yourself with these risks.

The HSA investment account is an optional, self-directed service. We do not provide investment advice for HSA investment account participants. You are solely responsible for any investment account decisions you make. Mutual funds and brokerage investments are not FDIC-insured and are subject to investment risk, including fluctuations in value and the possible loss of the principal amount invested. The prospectus describes the funds' investment objectives and strategies, their fees and expenses, and the risks inherent to investing in each fund. Investors should always read the prospectus carefully before making any investment decision. System response and account access times may vary due to a variety of factors, including trading volumes, market conditions, system performance and other factors.