

FURTHERSM
by HealthEquity

Further

Spend every day wisely



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Agenda

Topic	Time
[Insert Topic]	[Insert Time]
[Insert Topic]	[Insert Time]
[Insert Topic]	[Insert Time]
[Insert Topic]	[Insert Time]

Further team

[NAME]
[TITLE]

[NAME]
[TITLE]

[NAME]
[TITLE]

Agenda

Topic	Presenter
[Insert Topic]	[Name, Title]
[Insert Topic]	[Name, Title]
[Insert Topic]	[Name, Title]
[Insert Topic]	[Name, Title]



Health Savings Account



Your Health Savings Account (HSA)



Account **you own** that works with your HSA-qualified health plan



Allows you to set aside a portion of **pretax payroll**



You **pay no taxes** on the money you **put into the account** – or funds you take out to pay for qualified medical expenses



Any interest earned is **tax-free**



No “use it or lose it” stipulation; **unused funds rollover to the next year**



The account **stays with you**, even if you change jobs or retire



The advantage of an HSA

With the **triple tax advantage**, an HSA allows you to see significant tax benefits



Contribute

Your contributions are taken from your paycheck before they're taxed, so it reduces your taxable income



Spend

You can make tax-free withdrawals for qualified medical expenses any time



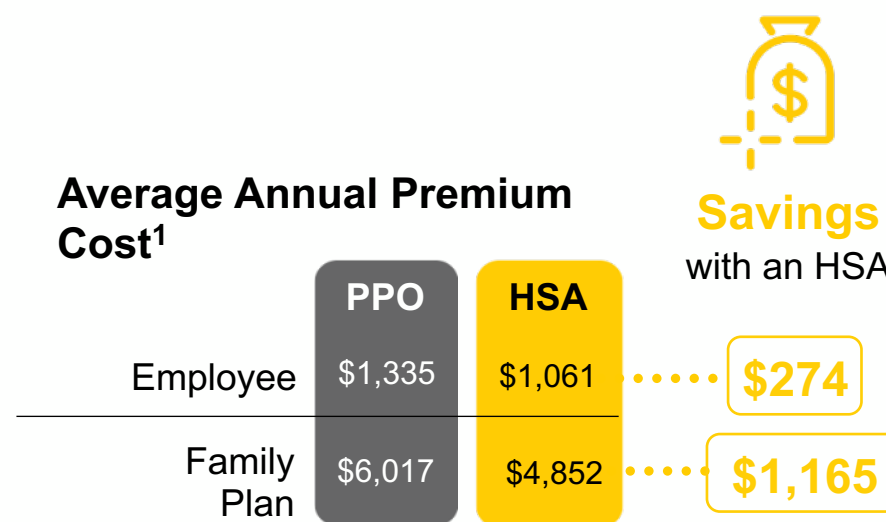
Earn interest

Any interest, dividends or capital gains your account earns are tax-free

The advantage of an HSA

More of your money stays with you – now and for the future

- ✓ **Lower premiums**
You keep more dollars in your pocket each paycheck
- ✓ **You own the account**
If you change jobs or retire, the HSA and funds go with you
- ✓ **Rollover remaining funds**
Help you build savings for retirement or a large medical expense



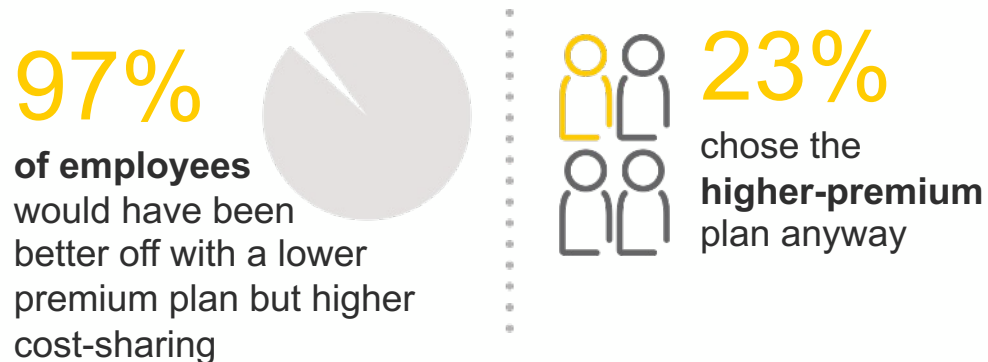
The advantage of an HSA

Your health care is the right size - for you

- ✓ Most people in traditional health care plans **never spend their deductible** over the year
- ✓ The majority are **over-insuring themselves for health care and over-spending crucial dollars** that could be used on other things

Choosing the wrong plan can be costly¹

Example: 2,300 employee company



 **\$2,000+** Average cost per year of choosing the wrong plan

¹ Collier T, Williams M L. Picking the wrong health insurance is a \$2,000 mistake. Marketwatch, The Conversation. Nov 10, 2020. <https://www.marketwatch.com/story/picking-the-wrong-health-insurance-is-a-2-000-mistake-11605021943>.



How your HSA works

1

Enroll

in your company's
HSA-qualified
health plan

2

Ensure

that you:

- ✓ **Are not claimed as a dependent** on someone else's tax return
- ✓ **Have no other health plan coverage** (including spouse's medical FSA¹)
- ✓ **Are not enrolled in Medicare**

3

Set aside

portion of payroll
pretax, not more than:

2021:

\$3,600 for single
\$7,200 for family

2022:

\$3,650 for single
\$7,300 for family

4

Use

a convenient
debit card to
pay providers

5

Submit bills

for reimbursement of
out-of-pocket expenses



You can use your HSA to pay for:

- ✓ **NEW!** Over-the-counter supplies, medications, and some feminine hygiene products
- ✓ Medical expenses *not* covered by your health plan, including:
 - Out-of-pocket expenses
 - Co-pays
 - Co-insurance
 - Prescription drugs
 - Dental care expenses
 - Vision care expenses
- ✓ Health insurance premiums
 - COBRA during a job transition or post-employment
 - Medicare upon reaching the age of 65
 - Some long-term care insurance premiums



It's important to save all your receipts to validate expenses, as required by the IRS.



These you can't pay for:

- ✗ Expenses that aren't related to medical treatment or care as defined by the IRS
- ✗ Personal use items
 - Toothpaste
 - Lotions
 - Makeup
 - Soaps
 - Shaving supplies
- ✗ Health insurance premiums



Meet Molly

Single professional,
no children

Annual salary: \$48,000
 HSA contribution: \$3,000
 Taxable income: \$45,000

	Without an HSA	With an HSA
Estimated taxes ¹	\$14,400	\$13,500
Health care expense	\$600	\$600
HSA account	\$0	\$3000
HSA balance to rollover	\$0	\$2,400

\$900 Tax Savings

Estimated tax rate ¹ = 30%

At year's end, Molly has not only saved \$900 in taxes, but has used those savings to cover all her health care expenses AND established an HSA account that is available for future expenses.



¹Assumes Molly is subject to a 30% income tax rate. Actual tax savings will depend on your HSA contributions, applicable state tax rates and your personal tax situation. Please consult your tax adviser for details.

Molly's story is a hypothetical example for purposes of illustration only.



Meet the Garcias

Maria and her teenage son, Antonio

Annual salary: \$68,000
HSA contribution: \$5,000
Taxable income: \$63,000

3 | Proprietary + Confidential

	Without an HSA	With an HSA
Estimated taxes ¹	\$20,400	\$18,900
Health care expense	\$2,500	\$2,500
HSA account	\$0	\$5,000
HSA balance rollover	\$0	\$2,500

**\$1,500
Tax Savings**

Estimated tax rate ¹ = 30%

At year's end, Maria has not only saved \$1,500 in taxes, but has used those savings to cover approximately half of her health care expenses. She has also established an HSA account that is available for future expenses.



¹Assumes the Garcias are subject to a 30% income tax rate. Actual tax savings will depend on your HSA contributions, applicable state tax rates and your personal tax situation. Please consult your tax adviser for details.

The Garcia's story is a hypothetical example for purposes of illustration only.

Meet the Robinsons

Two-parent family with two school-age children

Combined annual salary: \$94,200

HSA pre-tax contribution (2021 limit): \$7,200

Net taxable income: \$87,000

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	Without an HSA	With an HSA
Estimated taxes ¹	\$28,260	\$26,100
Health care expense	\$1,800	\$1,800
HSA account	\$0	\$7,200
HSA balance rollover	\$0	\$5,400

\$2,160 Tax Savings

Estimated tax rate ¹ = 30%

At year's end, the Robinsons have not only saved \$2,160 in taxes, but they have used those savings to cover all their health care expenses AND established an HSA account that is available for future expenses.



¹Assumes the Robinsons is subject to a 30% income tax rate. Actual tax savings will depend on your HSA contributions, applicable state tax rates and your personal tax situation. Please consult your tax adviser for details.

The Robinson's story is a hypothetical example for purposes of illustration only.

Meet the Schwartz Family

Empty nesters – Bill and Emily, retiring in five years

Combined annual salary: \$125,000

HSA pre-tax contribution
(2021 limit)*: \$8,200

Net taxable income: \$116,800

*includes \$1,000 extra contribution

	Without an HSA	With an HSA
Estimated taxes ¹	\$37,500	\$35,040
Health care expense	\$1,400	\$1,400
HSA account	\$0	\$8,200
HSA balance rollover	\$0	\$6,800

\$2,460 Tax Savings

Estimated tax rate ¹ = 30%

At year's end, the Schwartzs have not only saved \$2,460 in taxes, but they have used those savings to cover all of their health care expenses AND continued to contribute to an HSA account that is available for future expenses.



¹ Assumes the Schwartzs are subject to a 30% income tax rate. Actual tax savings will depend on your HSA contributions, applicable state tax rates and your personal tax situation. Please consult your tax adviser for details. ² Balances over \$1,000 are eligible to invest in more than 30 mutual fund options through Charles Schwab.

The Schwartz's story is a hypothetical example for purposes of illustration only.

Combine HSA

Pairing an HSA with an FSA and/or VEBA increases the spending and savings power for members



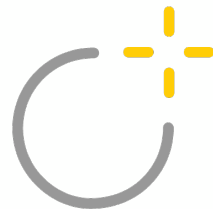
Pairing with an FSA

If paired with an FSA, the FSA will be limited to permitted benefits such as vision and dental care benefits until the health plan deductible is met.



Pairing with a VEBA

If paired with a VEBA, the VEBA will be limited to permitted benefits such as vision and dental care benefits until the health plan deductible is met.



Pairing with an FSA and VEBA

Combining the benefits of the HSA, FSA, and VEBA allows members to maximize tax-advantaged medical spending and savings.

HSA strategy:



Shop for care



- Use the preventive care portion of your plan
- Use MinuteClinic[®] or retail clinics
- Go online for doctor visits
- Choose generic drugs
- Inform your doctor/provider that you are enrolled in a CDHP (consumer-directed health plan)
- Shop for medical value – compare charges
- Evaluate different pharmacies and look up manufacturer discounts on prescriptions
- Access the Amazon[®] FSA/HSA store to shop by category, price, and best sellers
- Use your health plan tools and resources



HSA strategy:



Delay reimbursements and save receipts

- Opt out of the crossover feature
- Any expense you incur after you've established your HSA and pay out-of-pocket expenses creates an opportunity for a tax-free withdrawal
- Your ability to submit claims never expires as long as you have a balance in your HSA
- You retain a higher HSA balance to earn interest or invest, increasing the potential for growth
- You can stop and continue this strategy as you see fit, or as major life events occur – such as an interruption or reduction to income
- At age 65, you can make distributions from your HSA for non-eligible expenses without a penalty; just pay your income taxes



Meet Marie

Annual salary	\$58,000
HSA contribution	\$2,500
Taxable income	\$55,500

\$750 Tax Savings

Estimated tax rate ¹ = 30%

When Marie incurs a \$750 health care bill, it actually costs her nothing when factoring in the tax savings!



¹Assumes Marie is subject to a 30% income tax rate. Actual tax savings will depend on your HSA contributions, applicable state tax rates and your personal tax situation. Please consult your tax adviser for details.

Marie's story is a hypothetical example for purposes of illustration only.



5 ways an HSA can help you save for your future

1

Money is not taxed

Money goes into your HSA without paying state* or federal taxes. That reduces your taxable income and saves you money on your medical expenses.

2

No “use it or lose it” rule

Money in your HSA belongs to you, even if you change jobs, health plans, or retire

3

Invest and grow your money

Your money can earn interest, tax-free, from day one. When your Base Balance reaches \$1,000, you can open a basic investment account with access to invest in over 30 mutual funds

4

More flexibility and choice

You can use your HSA dollars for certain health care expenses that aren't covered by your health plan, allowing you to purchase these services tax-free

5

Even out medical expense highs and lows

Since you manage your funds, you can choose to save HSA money when you're healthy so it's ready when you need it



HSA/Medicare





Remaining on employer's medical plan and delaying Medicare

- Make sure you are enrolled in an employer plan with creditable drug coverage:
 - [INSERT PLAN INFO HERE]
- If both Medicare Part A & B are delayed, contributing to an HSA after age 65 is allowed
- It is recommended that if enrolling in Medicare after age 65, you cease HSA contributions six (6) months prior to enrolling in Medicare



Enrolled in Medicare Part A or Part B

- No penalty for being enrolled in a HDHP
- HSA money can be withdrawn without penalty
- HSA contributions (including employer portion) should cease
- HSA money can be used to pay for Medicare premiums

Non-qualified expenses are subject to taxes and a 20% penalty prior to turning 65. After age 65, non-qualified expenses are subject to taxes only.



Digital Tools

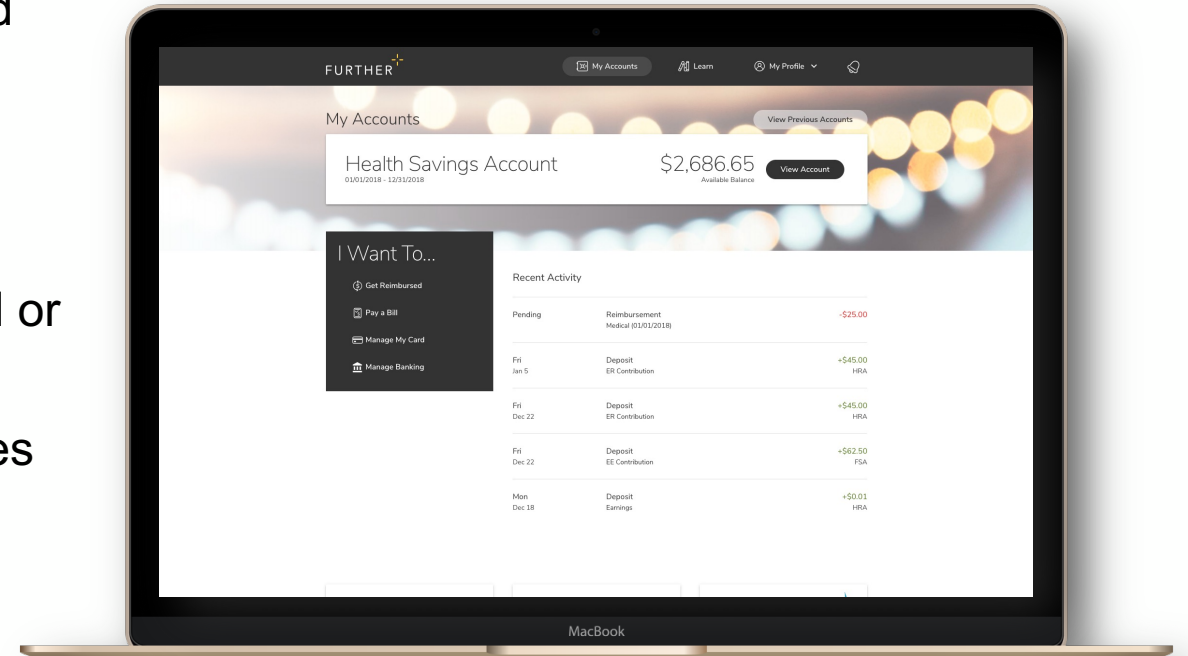




After you're enrolled



- ✓ Receive your Spending Account I.D. and Visa® debit card by mail
- ✓ Register on hellofurther.com
- ✓ Download mobile app
- ✓ Pay providers with your Visa® debit card or submit claims for reimbursement
- ✓ View account activity and check balances
- ✓ Download forms and upload receipts
- ✓ View and manage investments
- ✓ Request additional Visa® debit cards

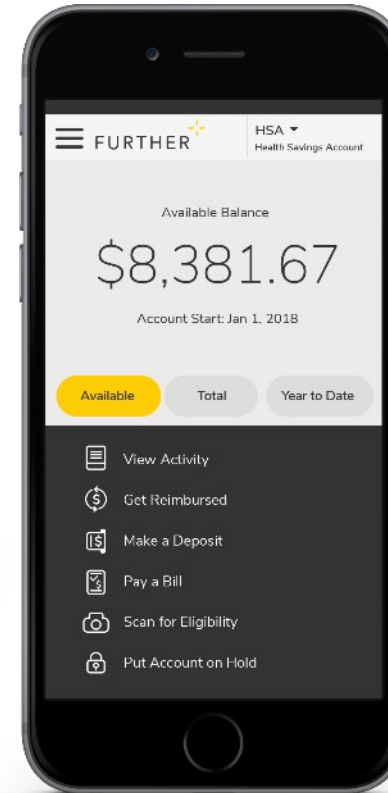
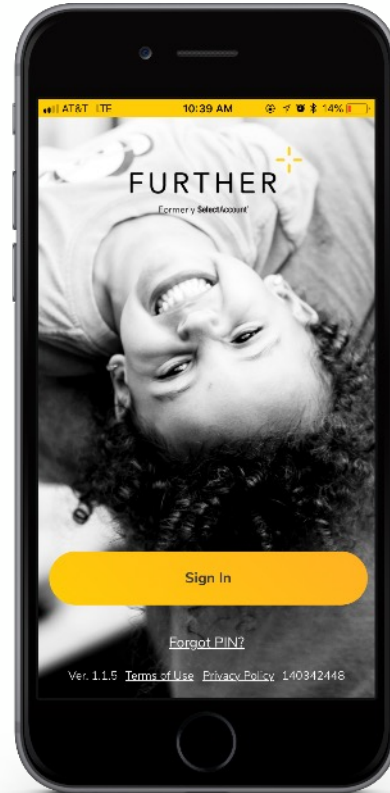




Mobile App

Easy to use tool that **features:**

- Fingerprint and facial ID unlock
- Snap and save document photos
- Barcode scanner to check eligibility
- Mobile access to all primary actions
- View activity
- Pay bills
- Make deposits
- Get reimbursed





Digital solutions

MEMBER PORTAL:

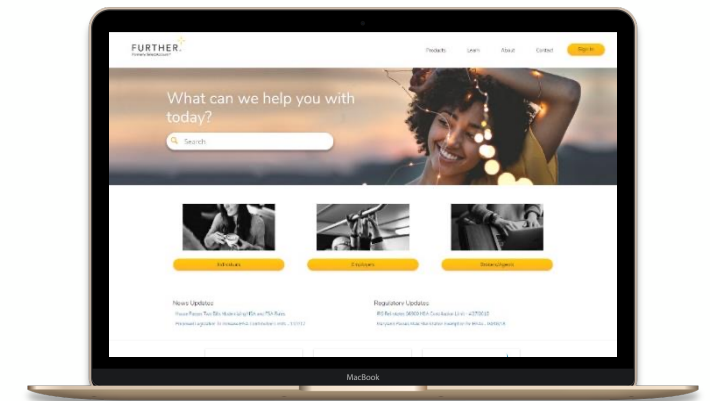
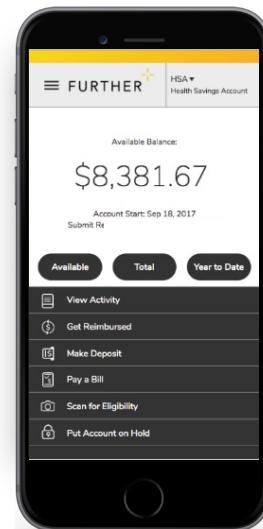
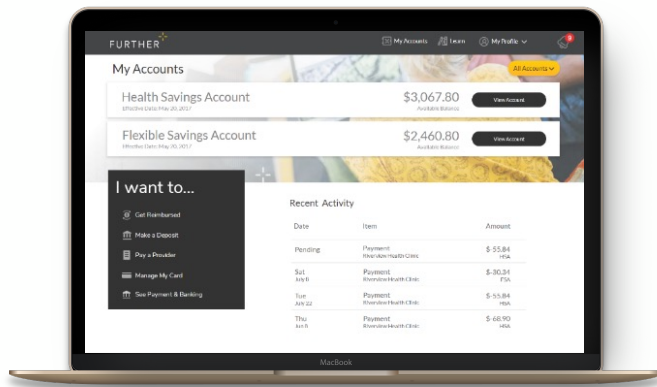
a secure and easy-to-use site designed with a member-first approach assuring the most relevant, frequently assessed information is available.

MOBILE APP:

a mobile experience that provides the functionality members need to manage their accounts when they are on-the-go.

LEARNING CENTER:

a comprehensive site that provides members – and employers – the resources they need to make health care spending decisions.

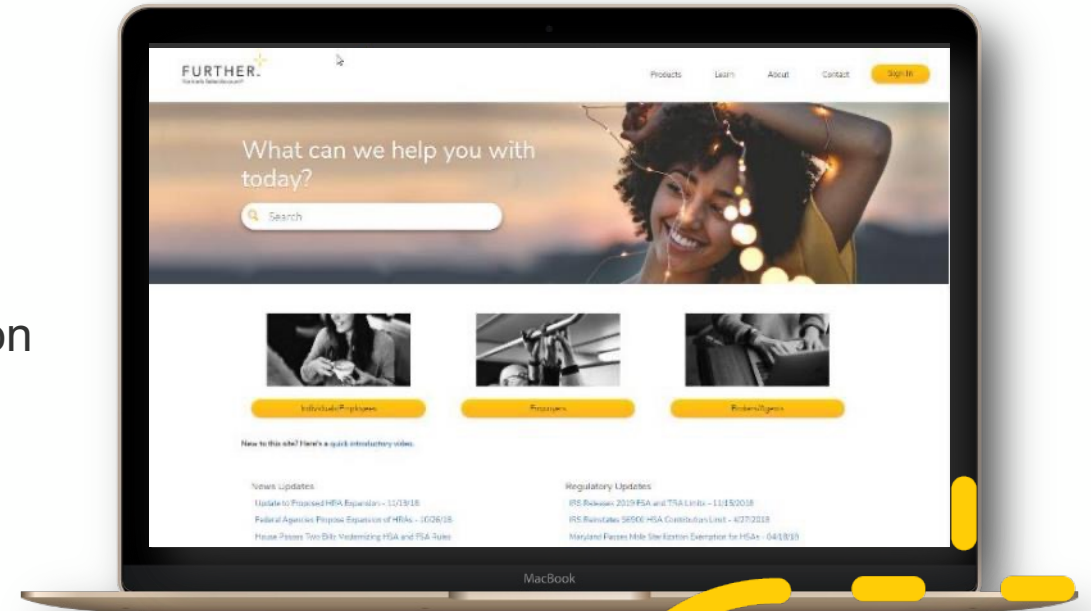




Learning Center

The Learning Center offers a robust array of articles, tools, and **resources including:**

- Savings calculators, videos and popular forms
- Guidance to help compare products
- Employer walkthrough of open-enrollment communication
- Tips for submitting claims
- Help using and managing your account
- Tax implication information
- How to get reimbursed
- FAQs



Designed to help you understand and **maximize** your health savings accounts



Interactive Worksheets

Easy-to-use, interactive worksheets to help you plan and budget

- HSA
- HRA
- Medical FSA
- Dependent Care FSA

The image displays three overlapping worksheets from FURTHER. The top worksheet is the 'Medical FSA Worksheet', which includes sections for estimating medical expenses, annual tax savings, and a table for determining the maximum contribution. The middle worksheet is the 'Health Savings Account Worksheet', which provides directions on how to use an HSA. The bottom worksheet is the 'Dependent Care FSA Worksheet', which includes instructions on estimating out-of-pocket expenses and a table for determining the maximum contribution. All worksheets feature input fields and checkboxes for user interaction.

Simple tools that make decision-making easier



Digital payments

APPLE PAY:

- Open wallet app and tap plus sign
- Use camera to capture card information
- Across all iOS
- Get reimbursed



GOOGLE PAY:

- Open wallet app and add a card
- Snap a picture of card from the Google Pay app or enter card details



SAMSUNG PAY:

- Open wallet app and add a card
- Scan card and secure account with fingerprint



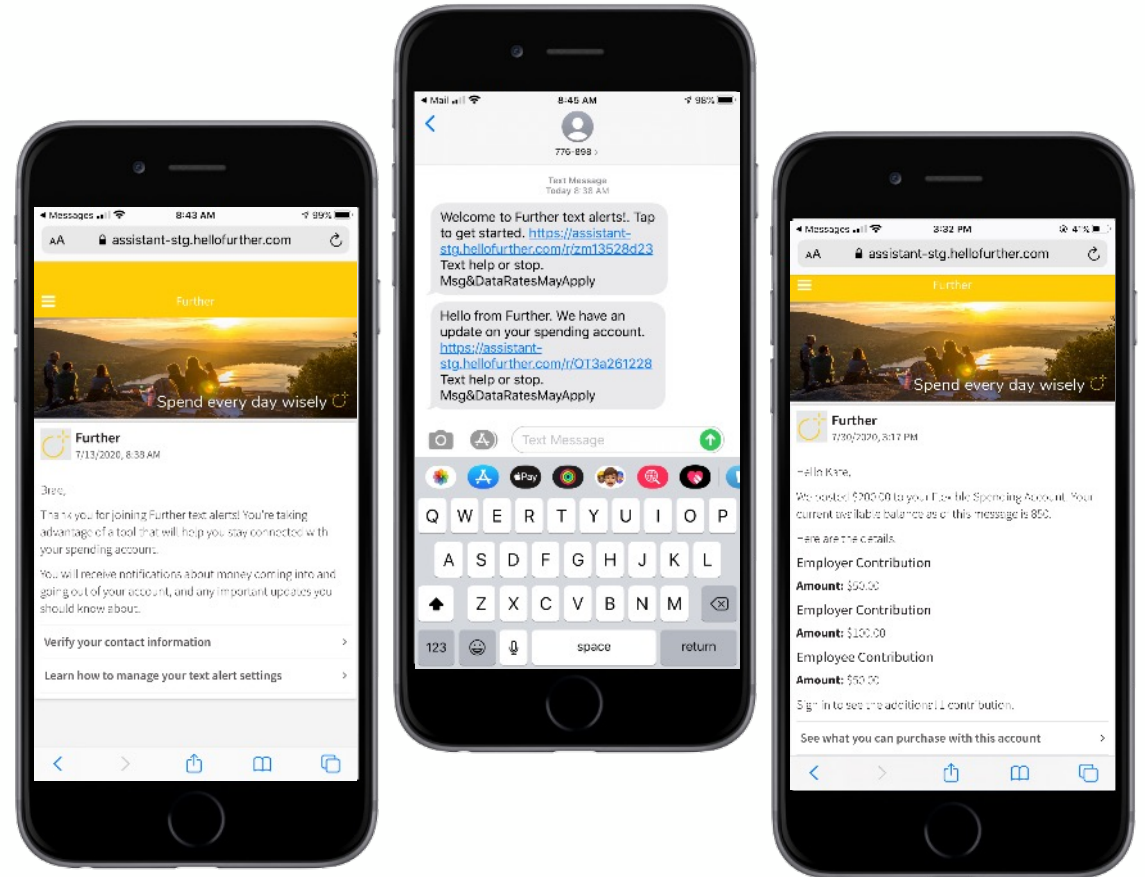


Text alerts

Text alerts is an **easy, fast and secure** way to stay up-to-date on your spending accounts

If you have a smartphone and use text messaging, Further can send you text alerts about your account activity including:

- Claims posted
- Contributions posted
- Available balance



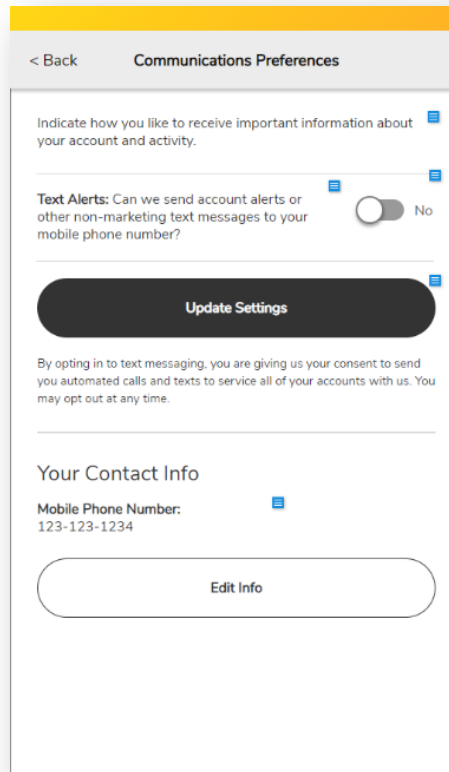


Text alert: getting started

There are two ways to get registered with Further's text alert service:

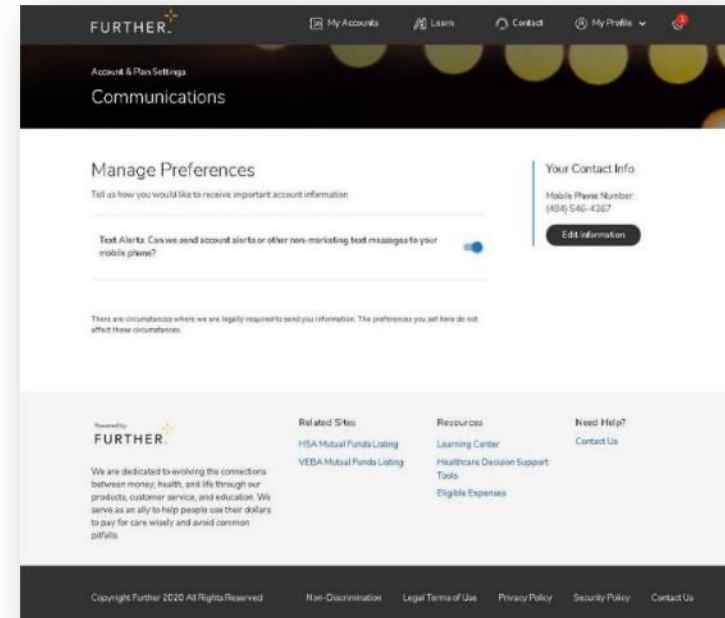
Mobile app

1. Once in the app, go to "Communication Preferences"
2. Select "Text Alerts"
3. Select "Update Settings"



Online portal

1. Go to "My Profile"
2. Select "Communications Preferences"
3. Select "Text Alerts"





Text alert: getting started

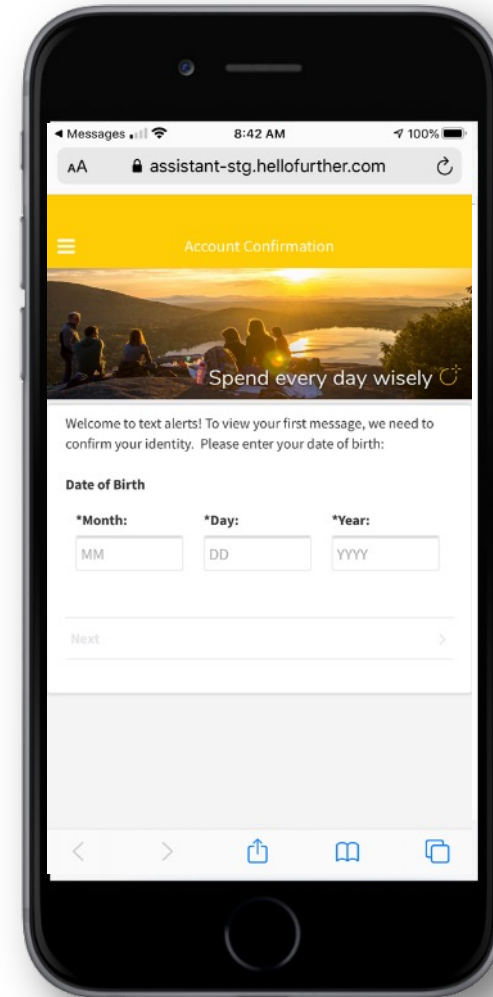
(New SMS participants only)

You'll receive a text message from Further, welcoming you to the text alerts service.

To access your personal messages feed:

1. Tap the link in your text message.
2. Enter your date of birth to confirm your identity.
3. Set a password to keep your information secure.

You'll only be asked to re-enter your password if you try to read your messages from a new device (like a phone or tablet), or if you switch internet browsers (like Chrome or Safari)



Text messaging FAQs



Am I charged for this service?

No. This is a free service offered on behalf of Further to its valued members. Depending on your mobile plan, standard message and data rates may apply.



Will my mobile number be shared with third parties?

No. Your mobile number or any personal information will never be shared with third parties.



Can a member opt out of the text alert service?

You can stop text alerts by going into your communication preferences in the mobile app or member portal and removing text alerts. You can also contact Further customer service.



How many Further messages will I receive?

You will only receive need-to-know information. Further will send messages when there are notifications related to your account(s).



What happens if I text “Help”?

If you text “Help” to 73529, another SMS message will be sent to you containing a link to the Relay Help Site (Further’s text message provider).



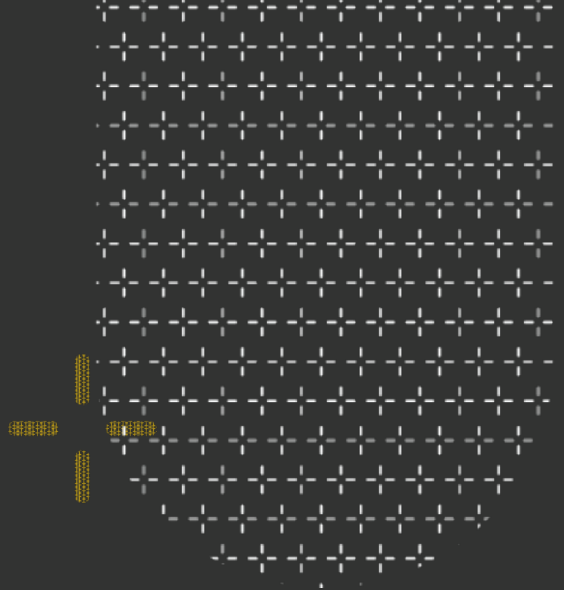
Who can see the messages on my board?

Just you. The Further text messaging program is for private, one-to-one communications between you and Further.

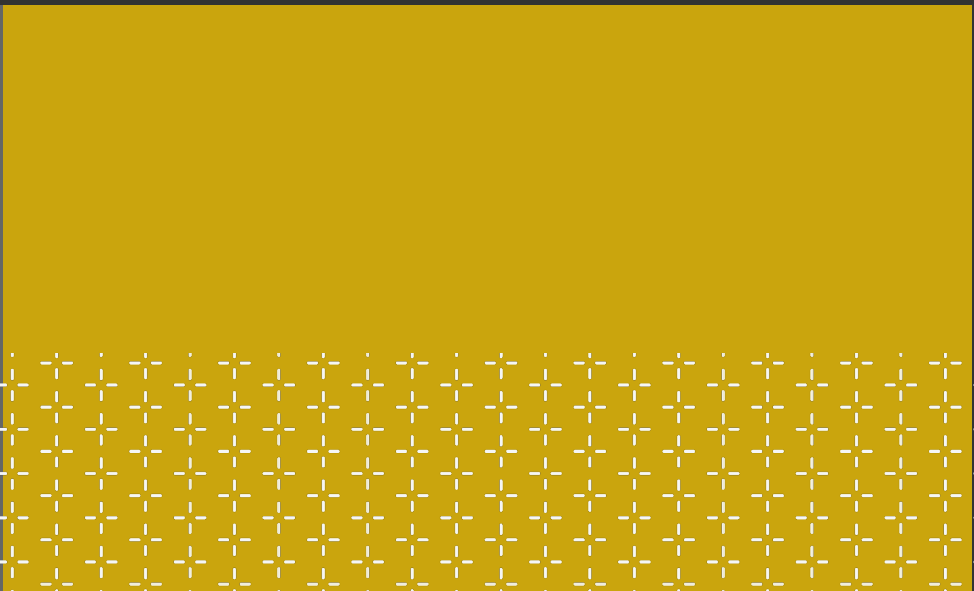


Who do I contact if I have questions for SMS text messaging?

You can call Further customer service for additional support.



COVID Relief Regulations





CARES Act

The CARES Act was passed in March 2020

The act allowed for additional over-the-counter (OTC) products and feminine hygiene products to be eligible for purchase using a medical spending account, such as a health savings account (HSA). Prior to the passage of the act, these items were only eligible for reimbursement with a prescription.

The expanded eligible expenses list is a permanent change, and these newly added items are retroactively eligible to January 1, 2020.



Some of the new eligible expenses include:

- ✔ Cold, cough, and flu medicine
- ✔ Allergy and sinus medicine
- ✔ Feminine products such as: tampons, pads, and liners
- ✔ Pain relievers
- ✔ Digestive aids and laxatives
- ✔ Baby rash ointments and creams

What to know about the Department of Labor updates



Runout on FSA medical claims is **extended** until the end of the pandemic – timing is still TBD

- This does not impact the ability to incur expenses
- There is more guidance coming from the IRS regarding possible extensions



Until these are official, please make sure you are incurring expenses **before the end of the plan year**



COVID-19 FAQ available online on Further's Learning Center – watch for updates



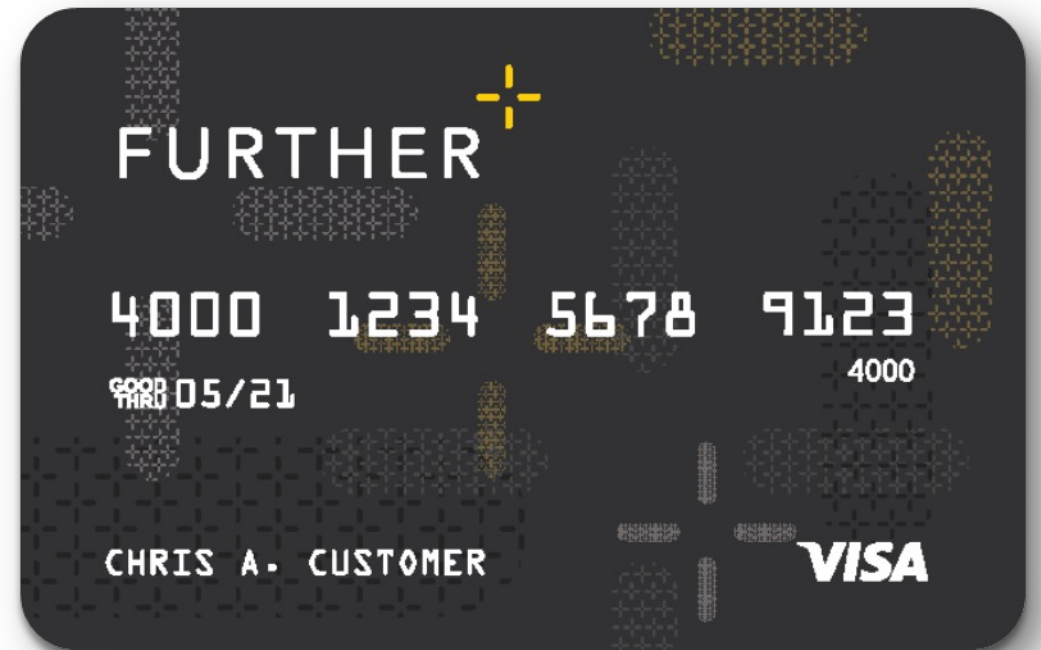
Miscellaneous





Further debit card

- Can use for HSA, FSA, HRA and VEBA purchases
- A convenient way to pay for qualified purchases from your spending account(s)
- Can be added to your digital wallet¹
- Can order additional cards for spouse or dependent free of cost
- Accepted anywhere VISA® is accepted



The debit card will come in a plain envelope – do not throw it away.



FURTHERSM
by HealthEquity

Q & A

Let's get started

Our expert service team is ready to help.



800-859-2144
M-F 7 AM - 8 pm CST



hellofurther.com

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Thank you.