

HSA SMARTNEWS!

December 2012

Upgraded Funds Transfer System Is More User-Friendly

Our upgraded Funds Transfer system makes it easier and faster to transfer funds online using your Health Savings Account (HSA). Our enhanced Funds Transfer system operates with more natural navigation and requires fewer clicks to make transfers and manage your account.

While the Funds Transfer tool still offers the same reliable functions as our previous system, it has some new features, including:

Shortcuts

Use shortcuts to frequently used functions to make it easier to verify, edit and delete accounts.

Transfer Changes

Edit and cancel scheduled transfers as needed. Even one transfer in a series of recurring transfers can be cancelled.

Transfer Lists

Monitor pending and processed transfers with convenient lists.

Email Alerts

Know when your transfers have been processed by requesting an email alert.

We hope you find the improvements useful! To check them out, log in to your account and navigate to "My Accounts > Funds Transfer."

Not yet using Funds Transfer? Log in and see how easy it is to move your money electronically!

Your HSA Tax Documents

When 2012 comes to a close, we will help you be ready for tax time. You can expect to receive 2012 tax documents from The Bancorp Bank on the following schedule:

IRS Form 1099-SA will be sent by January 31, 2013. This form provides the amount distributed from your HSA during 2012.

IRS Form 5498-SA will be sent by May 31, 2013. This form provides the amount contributed to your HSA for 2012. (You do not need this form to file your income tax returns.)

You will also need the following forms to file your 2012 income taxes with the IRS:

- **IRS Form 1040** or **IRS Form 1040NR**
- **IRS Form 8889** (available for download at www.irs.gov)
- **IRS Form W-2** (will be sent to you by your employer by January 31, 2013)

If you have questions regarding the 2012 or 2013 HSA tax year, please call our Customer Service line, available to you 24 hours a day, 7 days a week. For specific questions about your taxes, please consult your tax advisor or the IRS.

2013 HSA Contribution Limits

Effective January 1, 2013, the maximum HSA contribution limits will increase for all eligible account holders.

The 2013 Annual Maximum Contribution Limits to an HSA under a High Deductible Health Plan are:

- **Self-only coverage:** \$3,250
- **Family coverage:** \$6,450

Note: *If you are age 55 or older and have not yet enrolled in Medicare, you may make an additional \$1,000 catch-up contribution to your HSA in 2013.*

You may fully fund your HSA all at once, or make smaller contributions throughout the year, as long as you do not exceed the contribution limits. For more information, visit the IRS website at <http://www.irs.gov/pub/irs-drop/rp-12-26.pdf>.

Do I need to establish a new HSA for 2013?

No, if you already have an HSA, you do not need to establish a new account each tax year. Also remember that your HSA balance carries over from year to year – you do not need to use all of your HSA funds before the end of the current calendar year. You never have to worry about losing contributions that are not used.

Don't forget that you can continue to make HSA contributions for the 2012 tax year through April 15, 2013, as long as you do not exceed the 2012 contribution limits. If you make a 2012 contribution between January 1, 2013 and April 15, 2013, just write "2012 contribution" on the memo line of your check, or call Customer Service to let us know the contribution should be allocated to 2012. Unless otherwise instructed, we allocate HSA contributions to the current tax year.

As always, if you have any questions about your HSA, contact our Customer Service team by phone at <AffinityPhone> (toll-free, 24/7), or by email at <AffinityEmail>.

We wish you and your family a joyful holiday season and happy New Year!