



Health Savings Accounts

A Health Savings Account from LaPorte Savings Bank will allow individuals a tax-advantaged way to save money for medical expenses. Our account offers competitive interest rates and a low minimum deposit to open.

To be eligible for an HSA Account an individual must meet the following requirements:

- You must be enrolled in a High Deductible Health Plan (HDHP).
- You cannot have any other healthcare coverage except as permitted by IRS guidelines.
- You cannot be enrolled in Medicare.
- You cannot be claimed as a dependent on someone else's tax return.



Benefits of a LaPorte Savings Bank Health Savings Account (HSA):

Minimum to Open <i>(Waived if account is company funded.)</i>	\$100.00
Minimum Balance Required to Avoid Monthly Service Fee	\$300.00
Monthly Service Fee <i>(If balance falls below \$300.00)</i>	\$3.00
HSA Debit Card	Free
Starter Checks	Free
Online Account Access	Free
Monthly Account Statement	Free

Account holders have the option to receive a paper or electronic statement of their account activity.

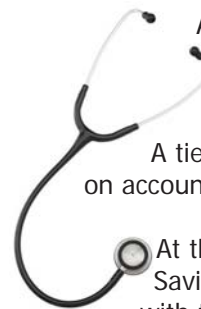
What is a Health Savings Account (HSA)?

A Health Savings Account (HSA) is a trust or custodial account similar to that of an Individual Retirement Account (IRA) that is created exclusively for the benefit of the account holder. An HSA allows individuals enrolled in a High Deductible Health Plan to save money tax-free for medical expenses.

What are the benefits of an HSA?

- You can claim your account contributions as a tax deduction.
- Contributions made to an HSA remain in the account from year to year until needed or used.
- The interest earned on the account balance is tax-free.
- Withdrawals can be made tax-free for qualified medical expenses.

Account holders can choose between receiving a paper or electronic statement of their account activity at no charge. Account holders will be provided a set of checks at account opening. An HSA debit card will be received within 14 business days of account opening. Unlimited debit card transactions are permitted on this account.

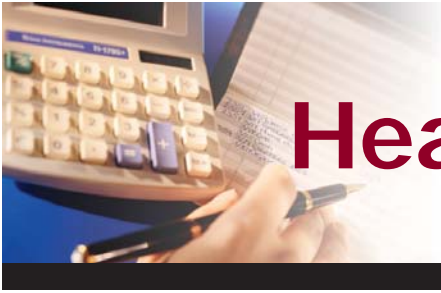


Account holders are allowed unlimited debit card transactions from their LaPorte Savings Bank HSA.

A tiered variable rate of interest is earned on account balances each month.

At the end of each calendar year, LaPorte Savings Bank will provide HSA customers with the appropriate tax reporting documents. Each account holder will receive Form 1099-SA that will summarize the distributions made on the account as well as Form 5498-SA that will summarize the contributions made to the account that calendar year.





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FREQUENTLY ASKED QUESTIONS REGARDING HSAs

Q: What is a High Deductible Health Plan?

A: A High Deductible Health Plan (HDHP) is a healthcare plan that has an annual deductible and out-of-pocket maximum that meets the IRS definition of a high deductible. According to the IRS, to qualify for an HSA the minimum annual deductible for individual coverage is \$1,200 and for family coverage is \$2,400. The maximum annual deductible and out-of-pocket expenses for individual coverage is \$5,950 and for family coverage is \$11,900.

Q: How much can I contribute to my HSA?

A: Account holders are limited to contributing the lesser of their annual health plan deductible or \$3,050 for individual coverage and \$6,150 for family coverage. The maximum contribution amounts are adjusted each year by the IRS for cost-of-living.

Q: What is a qualified medical expense?

A: Some examples of qualified medical expenses include amounts paid for doctors' fees, prescription and non-

prescription medicines and necessary hospital services not paid for by insurance.

Q: What happens to my HSA balance at the end of the year if I do not use all of the money contributed to the account?

A: Your HSA funds remain in your account and continue to earn interest until you withdraw them.

Q: Who is responsible for ensuring an HSA is used only for qualified medical expenses?

A: You, the account holder, are solely responsible for using your HSA account as intended by IRS rules.

Health Savings Account guidelines are established by the Internal Revenue Service (IRS); for the most complete and up-to-date information on how to utilize your Health Savings Accounts visit www.irs.gov.

Health Savings Account (HSA) Disclosure

Minimum Balance to Open the Account - you must deposit \$100.00 to open this account. If your employer is providing funding for the HSA, the opening balance requirement is waived.

Minimum Balance to Avoid the Imposition of Fees - a service charge fee will be imposed every statement cycle if the balance in the account falls below \$300.00 any day during the cycle.

Rate Information - the interest rate and annual percentage yield on your account may change.

Frequency of Rate Changes - we may change the interest rate on your account at any time.

Determination of Rate - at our discretion, we may change the interest rate on your account.

Compounding Frequency - interest will be compounded every statement cycle.

Crediting Frequency - interest will be credited to your account every statement cycle.

Minimum Balance Required to Obtain the Annual Percentage Yield Disclosed - you must maintain a minimum balance of: Tier I - \$.01; Tier II - \$1,000; Tier III - \$10,000 in the account each day to obtain the Annual Percentage Yield disclosed.

Daily Balance Computation Method - we use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of Interest on Non-cash Deposits - interest begins to accrue on the business day you deposit non-cash items (for example, checks).

Transaction Limitations - for maximum amount to deposit, please consult a Tax Advisor. You may make withdrawals from your account only for qualified medical expenses. For a complete definition of a qualified medical expense, see Publication 502 of the Internal Revenue Service at www.irs.gov.