

FINANCIAL EDUCATION SERIES

HSA BASICS AND BEYOND

Peace of mind, tax savings and more—putting money into a Health Savings Account (HSA) means that money is there when you need it. You can get the medical attention you need and the peace of mind you deserve ... and see other financial benefits as well.

A Health Savings Account is a smart way to manage out-of-pocket medical expenses.

Have a High-Deductible Health Plan (HDHP)? An HSA option lets you put aside and manage funds for future out-of-pocket medical expenses—and save on taxes¹ at the same time.

Save on taxes each year.

- Contributions to your HSA are tax-deductible, similar to deductible IRA contributions.
- Withdrawals and earnings, such as interest and dividends, are federal tax-deferred and federal tax-free as long as the funds are used for qualified medical expenses.
- If your employer makes contributions to your HSA, those contributions are not taxable as federal earned income.

Use it when and how you like.

- You decide when to use the plan to pay for medical expenses that may not be covered with insurance or for out-of-pocket expenses.
- Your HSA can be used for long-term care and certain other types of insurance, as well as other healthcare expenses.

You won't "lose it if you don't use it" or change jobs.

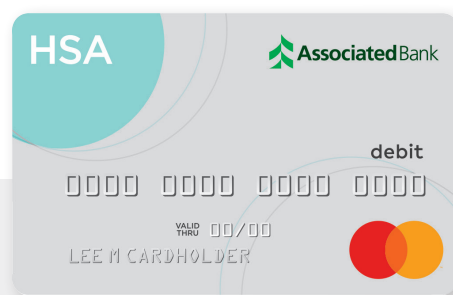
- Money remaining in your HSA at the end of the year is not forfeited—it remains in the account and can be used at a future date/year.
- The money in the account is "portable"—balances can move with you to another employer or insurance plan.

Associated Bank's HSA option—competitive interest and easy access.

An Associated Bank HSA offers a wide range of features and benefits:

- Contributions to your HSA may be made via pretax payroll deduction, direct deposit from another financial account or the HSA online portal.

- Once you have met the minimum balance to begin investing, you may invest some or all your additional funds into a variety of mutual funds, which can help grow your HSA balance even faster.
- You can access your account 24/7/365, with our Associated Benefit Connection[®] Mobile app² or online.
- You can access online information and forms at AssociatedBank.com/HSA.
- Use a free debit card to pay for medical expenses.



5 reasons why an HSA could be right for you

- 1. Invest in your future**
An HSA acts just like a savings account in which you can routinely contribute funds and keep it for whenever you need to pay for qualified medical expenses.
- 2. Keep your remaining funds**
At the end of your plan year, any remaining funds stay in your account from one year to the next.
- 3. Take your HSA with you**
No matter where life takes you, your HSA moves with you. Your HSA remains in your control through career changes, new health plans or retirement.
- 4. Retirement enhancement**
There is no minimum distribution during your retirement years. Continuous contributions to your HSA are a wonderful way to plan for retirement too! You can even do a one-time rollover from your IRA up to the maximum contribution.
- 5. Triple tax benefits**
 - Cash contributions to an HSA are pre-tax.
 - Interest on savings accumulates tax-deferred.
 - Withdrawals from an HSA for "qualified medical expenses" are tax-free.

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Investment, Securities and Insurance Products:

NOT FDIC INSURED	NOT BANK GUARANTEED	MAY LOSE VALUE	NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY	NOT A DEPOSIT
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HSA BASICS AND BEYOND (CONT.)

Frequently Asked Questions

Who is eligible for an HSA?

You qualify if you're currently covered by a qualified HDHP and are not covered by another form of low-deductible insurance (such as through your spouse's employer), are not covered by Medicare and cannot be claimed as a dependent on someone else's tax return.

Other considerations:

- Consult your insurance provider to determine which of your plan options is an HDHP.
- Insurance coverage for dental care and/or vision care only, long-term care, disability, accident and specific injury are generally not considered "low-deductible" health insurance for HSA eligibility.
- Some pre-tax medical reimbursement accounts and plans may be considered health insurance.

What is an HDHP?

HDHPs are defined by minimum annual deductible amounts and maximum annual out-of-pocket expenses, which vary by tax year. Consult your insurance provider, tax provider or your employer to determine if your health plan meets the definition of an HDHP.

What expenses qualify for distribution from an HSA?

In order for HSA assets to retain their federal tax waiver status, they may only be withdrawn and used for certain expenses, including:

- Medical expenses such as doctor visits, prescriptions, dental care or transportation to get medical care. Check with your tax or legal advisor regarding changes prohibiting use of HSA funds for over-the-counter medications (except in limited circumstances).
- Long-term care insurance.
- Health care coverage when unemployed.
- Certain continuation-of-benefit health care coverage.
- Certain health insurance after age 65.

Non-qualified use of HSA assets is subject to federal taxation and a 20 percent federal penalty, unless the account owner is age 65 or older, dies or is disabled.¹



1. The tax advantages of your HSA depend on a number of factors. HSA contributions and earnings may be subject to state income tax. Neither Associated Banc-Corp nor any of its affiliates give tax or legal advice. Consult with your tax and/or legal advisor for information specific to your situation.

2. Associated Bank does not charge a fee to download our digital applications; however, transactional fees may apply. Carrier message and data rates may apply; check your carrier's plan for details. Visit AssociatedBank.com/disclosures for Terms and Conditions for your service.

Minimum Deposit and Minimum Balance. There is no minimum balance to open the account. There is no minimum balance to keep the account open. The account will be closed after 13 months at a zero balance. If your account is not tied to an employer group or does not meet the daily balance requirement of \$2,500, it will be subject to a \$3 monthly maintenance fee. Many employer-sponsored plans cover monthly maintenance fees or require lower minimum balances to avoid them; talk with your HR benefits specialist for more information on your company's plan and pricing.

Debit Cards. You will be sent debit card(s) to use for HSA medical expenses. Your debit card renews automatically provided your account is in good standing.

Debit Card Transactions. Purchases and payments made with your debit card are limited to your available account balance. The funds are debited from your HSA account. You may not make deposits at ATM terminals. Transactions on your new card will be limited to IRS-qualified medical expenses such as medical claims, coinsurance, prescriptions and other health care costs.

Account Statements. You will receive a monthly bank statement. Account balances and activity are also available through the Associated Benefits Connection Online Portal or the Associated Benefits Connection® Mobile App.

Account Fees. Account fees are available in the Associated Benefits Connection online portal. Fees may change; we will provide you with a minimum of 30 days' notice prior to any changes.

Transaction Documentation. Specific Withdrawal Request Forms are mandatory for the following types of distributions: Rollover, Trustee Transfer, Death, Disability, Domestic Relations Order, Prohibited and Excess Contribution Removal. Deposit corrections require specific contribution forms.

Additional Disclosures and Agreements. Your deposit account at Associated Bank is governed by the provisions provided in the "HSA Custodial Agreement" booklet, along with other agreements that pertain to your Health Savings Account. The general HSA program information provided here has been drawn from sources believed to be reliable. Every effort has been made to ensure the accuracy of the material. However, government regulatory positions and laws are subject to change, so the accuracy of this information is not guaranteed. Associated Banc-Corp and its affiliates do not provide legal or accounting services. Please consult your legal or accounting professional for additional guidance and information. See additional account disclosures in the HSA Custodial Agreement brochure, Associated Bank Deposit Account Rate Sheet and the Consumer Deposit Account Fee Schedule.

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Deposit products are offered by Associated Bank, N.A. Member FDIC.

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Associated Benefits Connection is a marketing name used by Associated Bank, N.A. (ABNA). ABNA administers benefit programs sponsored by employers, which include flexible spending accounts (FSAs), health reimbursement accounts (HRAs) and commuter benefits and is subject to pending state licensure and regulatory approval.

Associated Bank is a marketing name Associated Banc-Corp (AB-C) uses for products and services offered by its affiliates. Investment management services are provided by Kellogg Asset Management, LLC® ("KAM"). KAM and Associated Bank, N.A. are wholly-owned affiliates of Associated Banc-Corp (AB-C). AB-C and its affiliates do not provide tax, legal or accounting advice. Please consult with your tax, legal or accounting advisors regarding your individual situation. (6/22) P06205