

health savings

accounts



Employer Guide

FIRST AMERICAN BANK

First American Bank is pleased to introduce our Health Savings Accounts (HSA). As you are aware, a High Deductible Health Plan (HDHP) combined with an HSA is an innovative way for your company to combat the rising costs of healthcare. We have developed very competitive HSA products, and we are interested in developing a relationship with you to offer our accounts to your employees.

Why choose an HSA?

- The HDHP generally costs less than traditional health care coverage. Money saved on the insurance premium can be put into an HSA.
- Contributions to your HSA are tax deductible. IRS guidelines in 2016 allow max contributions up to \$3,350 for individuals (\$3,400 for 2017) and \$6,750 for a family plan (2016/17). If you are over 55, you can contribute an additional \$1,000 "catch-up" to your HSA. If you have a spouse who is over 55, you must open a second account in order to take advantage of the catch up contribution.
- After age 65, HSA funds can be used for non-qualified expenses without penalty. Only income tax is assessed.
- Use the pre-tax funds in your HSA to pay for current medical expenses or expenses that your insurance may not cover including dental expenses, vision care, Medicare expenses, and long-term care. See publication 502 on the IRS website for a complete list of qualified expenses.
- Save the money in your HSA for future medical expenses.
- There is "no use it or lose it" philosophy – the HSA funds remain in the account from year to year. Even if your HSA compatible coverage ends, you can still use the funds tax free for qualified medical expenses.
- You are in control of your HSA. Funds belong to you even if you switch jobs, become unemployed, or change your medical coverage.

First American Bank offers two types of Health Savings Accounts:

Our **Health Savings Account** is a free account* which pays interest based on the balance in the account.

Our **Health SavingsPLUS Account** offers all of the benefits of our Health Savings Account; in addition it allows you to invest a portion of your HSA in a select group of mutual funds.**

For over 30 years, First American Bank has operated on the philosophy that the needs of our customers come first, and we build our business one satisfied customer at a time. Our size and management philosophy make it possible for us to give you the best of both worlds: big bank financial services coupled with the personal attention only a smaller bank can provide. We place great emphasis on building strong customer relationships and we're driven to assist you with needs beyond the specific product at hand.

We can accommodate your HSA needs and look forward to working with you. Please don't hesitate to call our toll free HSA Help Desk (866) 449-1150 or locally (847) 952-3700, option "2", and then option "4".

*A \$3.95 monthly fee will be charged if the customer elects to receive a paper statement. The fee will be waived if; 1) the customer elects to receive electronic statements only; or 2) a combined minimum average daily balance of \$2,000 is maintained between the checking portion of the Health Savings Account and an associated checking, savings or money market account. Member FDIC.

**\$4.95 monthly investment fee will apply. Investors should carefully read the Fund prospectus, which includes information on the Fund's investment objectives, risk, as well as charges and expenses along with other information before investing or sending money. Funds in the investment portion of your HSA PLUS account are not FDIC insured, May Lose Value and are Not Bank Guaranteed.

Neither First American Bank nor its subsidiaries (collectively "First American Bank") are registered investment advisors nor is First American Bank acting in the capacity of a registered investment advisor with respect to the offering of HSA investment options. Participation in the investment options is voluntary. Under no circumstances is First American Bank offering any of the HSA investment options and First American Bank makes no representations with respect to the investment options offered.

First American Bank disclaims any and all liability, contingent or otherwise, for the performance of the investment options. Please see your financial advisor for personal investment advice.

The Enrollment Process:

Step 1: Apply for a First American Bank HSA

There are two convenient ways to apply:

- 1) Online at www.firstambank.com
- 2) Contact your assigned HSA Account Manager if you require paper applications:
Mitch Rosenbloom, (847) 586-2010 or mrosenbloom@firstambank.com
Bradley Huff, (312) 881-8711 or bhuff@firstambank.com

Step 2: Submit Applications to First American Bank

- 1) Online Application – **Expedited Method**
 - a. First American can provide your organization a link that will allow your employees to apply online and they can complete the process in minutes.
 - b. Once approved, the account number will be displayed on the confirmation screen. Your employee can print the page and provide you with their account information for future employer contributions.* (In some cases additional information is required from the applicant in order to complete the account opening process.)
- 2) Paper Application
 - a. We will provide the paper application(s) for you to distribute to your employee(s).
 - i. Collect all applications.
 - ii. Verify that all signatures and identification information has been completed. This includes issue and expiration dates, and the identification number for the primary identification.
 - iii. Once all applications have been collected and verified, submit all applications to First American Bank for processing. The processing time for paper applications can take up to 3 business days.
 - iv. The completed applications can be submitted in one of the following ways:
 1. Fax: (847) 264-2308 Attention: HSA Department
 2. Email: HSA@firstambank.com
 3. Mail: First American Bank, Attn: HSA Department
P.O. Box 0794, Elk Grove Village, IL 60009
 - v. Incomplete applications will be returned which will result in a delay in processing.
 - b. If you intend to make contributions into your employees' accounts, your employee must provide you with the account number that is included in the Welcome Packet. The packet is sent via U.S. mail once the account has been opened.*

First American Bank - ID Information:

Primary Identification:

- U.S. Drivers License
- U.S. Passport
- U.S. State ID Card
- Foreign Passport
- U.S. Armed Forces Card
- Matricula Card

Secondary Forms of ID: (Necessary only if an individual has not passed our verification process)

- Any of the above forms of ID
- State Voters Registration Card
- State U.S. Birth Certificate
- U.S. Alien Registration Card
- U.S. Auto Registration Form
- Student ID Card
- Original ITIN
- Current Utility Bill

Identification information is required for the account signer and the additional signer (if applicable). Identity Verification: Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Therefore, when your employees enroll in an HSA we will ask for name, address, DOB, and other information that will allow us to identify each individual. We may ask for Driver's License information or other identifying documents. All new accounts are verified through Chexsystems.

*First American Bank is limited to providing account information to accountholders only.

Transfers:

Are your employees transferring their current HSA to First American Bank?

Our application contains all of the necessary information to transfer funds from another HSA. To ensure a smooth transition, please notify your HSA Account Manager if an employee will be transferring. Depending on the financial institution from which your employee is transferring, the process could take several weeks.

Step 3: *Funding Options*

EMPLOYERS: There are three options available to fund your employees' accounts:

1) Direct Deposit/Payroll Deduction – **Preferred Method**

A payroll deduction can be processed through your payroll processor or in house system. This deduction would process the same as any other payroll deduction you currently have in place.

Provide the following information to your payroll processor for each employee:

- First American Bank's routing number: 071922777
- Employee name
- Employee account number*
- Employee account type: checking

*Obtain employee account numbers from your employees after their accounts are established.

2) Open a Business Checking Account

Open a business account at First American and use our online system, Ca\$hTrac, which will allow you to directly debit an operating account and credit employees' individual accounts within 48 hours. Ca\$hTrac gives you full control of the payments to employees. If you are interested in learning more, please contact our HSA Operations team at (847) 586-2099 for further assistance. (Fees apply)

3) Current Financial Institution

Contact your current financial institution to discuss payment options to transfer directly to your employees' accounts. Possible services that may be available include bill payment, ACH (direct deposit), or wire transfers.

EMPLOYEES: There are two options available to employees who wish to contribute to their HSA:

1) Online Banking Transfer – **Preferred Method**

Employees can set up an external transfer through First American Bank's online banking from an account at another bank. This will deduct the funds from the employee's personal checking or savings account at the other bank and credit his or her HSA at First American Bank.

2) Check

A check made payable to the employee (accontholder) or First American Bank can be mailed to the bank or deposited at any of our 50 branch locations.

How to Contact First American Bank HSA Department

You may contact First American Bank's HSA Department through one of the following methods:

Mail: First American Bank
Attn: HSA Department
P.O. Box 0794
Elk Grove Village, IL 60009

Email: HSA@firstambank.com

Phone: Toll Free (866) 449-1150
Locally (847) 952-3700, select Option "2", and then Option "4"

Fax: (847) 264-2308

Time Line

The entire account application process should take no longer than 5 business days if all the required information is provided.

- 1) A debit card is ordered when we receive the completed applications.*
- 2) If your employee has requested checks, we will place the order when the account is funded.
- 3) Checks and debit cards will arrive in 7-15 business days. If a deposit has not been made to the account, then the checks will be ordered upon receipt of initial contribution.

If you have any questions, please contact our HSA Help Desk toll free at (866) 449-1150 or locally at (847) 952-3700, select option "2", and then option "4" or by email HSA@FirstAmBank.com.

*First American Bank has the right to refuse HSA debit card issuance.

Employees who enroll in the HSA eStatement account must enroll in our Online Banking service within 90 days of account opening. If the employee fails to do so, the account will convert to our HSA Paper Statement account and a \$3.95 monthly fee will be charged. The fee will be waived if; 1) the customer elects to receive electronic statements only; or 2) a combined minimum average daily balance of \$2,000 is maintained between the checking portion of the Health Savings Account and an associated checking, savings or money market account.