



## Health and wealth planning for your future ...

Carolina First offers two Health Savings Accounts — a standard checking account (through Carolina First) and an investment option, HSA Plus (through UVEST Financial Services), for those individuals who would like more choices in how to invest their funds. Both products offer tax-favored savings for individuals covered by High-Deductible Health Plans. HSAs allow individuals to make tax-deductible contributions and take tax-free distributions if the money is used to pay for qualified medical expenses. Customers in HSA Plus also have the ability to invest their money in select mutual funds. The account belongs to the individual and is portable: no “use it or lose it” penalties, no income or employment requirements apply.

### Health Savings Accounts

#### What are the benefits of an HSA?

Think of a Health Savings Account as a “Medical IRA.” HSAs allow individuals with qualified High-Deductible Health Plans to prepare and save for current and future health care expenses.

HSAs are triple-tax advantaged.

- Contributions into the account are tax deductible.
- All assets in the account accumulate tax deferred, which can help produce a greater total return over the long term.
- When used to pay for qualified medical expenses, distributions are not taxed.

HSAs can supplement retirement income.

- Once you reach age 65 (or the age at which you become eligible for Medicare), all nonmedical distributions are no longer subject to the 10% penalty and are taxed as ordinary income.
- After you retire, you can continue to use the accumulated assets in your HSA to pay for medical expenses. The assets also can be used to meet the expense of nursing care or to purchase a long-term-care policy.
- There are no Required Minimum Distributions, so your assets can continue to grow until you need to access them.

#### How does an HSA work?

HSAs offer an alternative way to pay for rising health care costs. They allow you to pay for medical costs today while investing for the future. Several key features of HSAs include:

- Like an IRA, you own the account and control the money in the HSA.
- Unlike a Flex Spending Account, there is no “use it or lose it” provision – unused funds can be rolled over each year.
- Distributions are tax free when used for qualified medical expenses.
- Accounts are completely portable, meaning you can keep your HSA even if you change jobs or medical coverage.

Brokerage account information not available through Online Banking.

The investment option of the HSA Plus and Securities are offered by UVEST Financial Services, Member FINRA, SIPC. UVEST and Carolina First Bank are independent entities. HSA Plus and Securities are:

Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not Guaranteed by Any Government Agency		Not a Bank Deposit

Carolina First Bank, Member FDIC

**For more information:**  
 p. 800.476.6400  
 www.carolinafirst.com

# Health Savings Accounts

## How much can I contribute each year?

For 2010, you can contribute a maximum of \$3,050 for an individual and \$6,150 for a family to an HSA. You can contribute to your account in a lump sum or periodically throughout the year, and you do not have to make equal contributions every month. If your employer or anyone else contributes, you can contribute only the difference between their contribution and the maximum contribution for the year.

### 2010 IRS Guidelines for Qualifying HDHPs and Contribution Limits

	Single	Family
Minimum Deductible	\$1,200	\$2,400
Maximum Out-of-Pocket	\$5,950	\$11,900
Contribution Maximum	\$3,050	\$6,150
Catch-up Provision 55+	\$1,000 (Single & Family)	

## Can I make catch-up contributions?

If you are age 55 or older and are covered by a High-Deductible Health Plan, but have not enrolled in Medicare Part A or B, you can make a catch-up contribution up to \$1,000 in addition to the maximum contribution.

## Features and Benefits

All of Carolina First's Health Savings Accounts provide a competitive interest checking account to help you manage your medical expenses and annual contributions.

### Enjoy flexible, convenient account features.

- Custom debit card
- Personalized checks available
- Mobile banking services available

### Access your account 24 hours a day, seven days a week.

Through Online Banking from Carolina First, you can:

- View your account balances
- Obtain detailed transaction information so you can easily track medical expenditures
- Access monthly statements and enroll in eStatements
- Pay your medical bills quickly using Bill Pay

### Simplify recordkeeping and tax reporting.

Account holders receive:

- Concise monthly statements that itemize medical expenses paid from your Health Savings Account
- Comprehensive year-end tax reporting, including IRS Form 1099-SA and 5498-SA reporting

For those individuals who want more choices, Carolina First offers access to HSA Plus which combines our standard Health Savings Account with a retail brokerage account in one program. This integrated structure allows you to pay for medical expenses through the checking account while your Financial Advisor manages your investments in the brokerage account.

Choose from select mutual funds.

- Since the assets in the HSA are held at your brokerage firm, your Financial Advisor can manage your investments like he or she would any other account.
- Your assets keep working for you with an automatic sweep of cash balances greater than \$3,000 into your brokerage account.