

AMERICAN EXPRESS BANK, FSB
MEMBER FDIC



YOUR GUIDE TO AMERICAN EXPRESS HEALTHPAY PLUSSM





Welcome to the Future of Healthcare.

Congratulations! You have joined the growing ranks of Americans who are taking charge of their healthcare dollars. Your employer has given you the option of supplementing your health plan with a powerful, tax-advantaged healthcare savings and payment tool called American Express HealthPay Plus.

American Express HealthPay Plus provides you with an interest-bearing Health Savings Account (HSA) through American Express Bank, FSB, as well as the American Express HealthPay Plus Card for convenient access to your healthcare funds.

You decide how and when to use your HealthPay Plus account to pay for qualified medical expenses today — or let your account grow and save the money for tomorrow. That's the power of your American Express HealthPay Plus account. And, whether you pay for eligible expenses with the swipe of your Card or with a HealthPay Plus check, American Express makes it easier than ever to manage your healthcare dollars. With easy-to-read statements, toll-free Customer Service, and online account access, you're in charge.

Inside, you'll find a general guide to HSAs and your HealthPay Plus Card, information about managing and contributing to your account, and where to find more information.

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Please make sure to **activate your Card** when you receive it in the mail.
Simply call the toll-free number affixed to the Card and sign the back.

HSA BASICS

WHAT IS A HEALTH SAVINGS ACCOUNT (HSA)?

An HSA is like a 401(k) — or an IRA — for your healthcare expenses. It is a special tax-advantaged savings account designed to help individuals and covered dependents enrolled in qualifying health plans pay for qualified medical expenses, now and in the future. American Express HealthPay Plus provides you with an HSA as well as other great tax-advantaged ways to save and invest.

Here's how American Express HealthPay Plus benefits you:

- Contributions to your HealthPay Plus account are tax free* — this means you reduce your taxable income by contributing to your account.
- Withdrawals used to pay for qualified medical expenses are tax-free.
- Funds in your HealthPay Plus account earn interest tax-free and roll over year to year.
- If you change jobs, change health plans, or retire, your account goes with you.

* State income tax laws vary. To find out whether your HSA contributions are subject to state income tax where you live, contact your state income tax authority or a personal tax advisor.

What are qualified medical expenses for my HSA? Here are some examples of eligible expenses that you can use your American Express HealthPay Plus Card for:

- Health plan deductibles and co-insurance
- Adult and child orthodontia*
- Dental care*
- Prescription eyeglasses, contact lenses, and solutions
- Laser eye surgery*
- Medical prescriptions
- Eligible over-the-counter medicines
- Chiropractor
- Mental health counseling or therapy
- Fertility treatments and procedures
- Acupuncture
- Birth control
- Long-term care insurance, subject to IRS age limits
- COBRA continuation coverage premiums

Remember, HealthPay Plus is intended to help you cover out-of-pocket costs while you meet your deductible and pay for services and items your health, dental, or vision plan doesn't cover.

For a more complete list of eligible expenses, go to americanexpress.com/healthpayplus.

*If you have a Flexible Spending Account, you can use it for these types of eligible dental and vision expenses.

USING YOUR HEALTHPAY PLUS CARD

HOW DOES HEALTHPAY PLUS WORK?

You can use your HealthPay Plus Card or checks anytime you want to pay for qualified medical expenses, such as at the doctor's office, at the drugstore, at the chiropractor's office, or in a hospital emergency room.

How do I pay for care using HealthPay Plus? Just present your HealthPay Plus Card to your in-network or out-of-network healthcare provider and ask them to swipe the Card at the time of service for each person that received service.

There may be times when your healthcare provider asks you to sign a receipt for an amount that is more than what you will ultimately owe, based on the services you receive, what your health plan covers, and the discounted rate your health plan has negotiated with your provider. By signing the receipt, you enable American Express to work with your health plan to ensure only the amount you actually owe is deducted from your HealthPay Plus account. This makes it easier for you to manage your healthcare bills. There's no need to wait for an explanation of benefits from your health plan, or receive a bill from your doctor.

If your provider does not accept the American Express® Card, you can write a HealthPay Plus check after your health plan sends an explanation of benefits and you receive a bill from your healthcare provider.

If you don't have sufficient funds available in your account at the time of service, you can pay for the service out of your own pocket. Later, once more funds are in your HealthPay Plus account (after a per-paycheck contribution, for example), you can reimburse yourself by writing a check to yourself from your HealthPay Plus account.

In addition, depending on how your employer's benefits plan is set up, you may have access to a Flexible Spending Account (FSA) or a Health Reimbursement Account (HRA). See your Summary Plan Description (SPD) or contact your benefits administrator for more information about these accounts and how they work together.

Are there any fees associated with my HealthPay Plus account? Your HealthPay Plus account may be subject to a minimal monthly service charge to cover the costs of maintaining your account. Standard minimal banking fees also may be assessed to your account for services such as stop-payment requests or wire transfers, for example.

What happens if I use HealthPay Plus to pay for something other than qualified medical expenses? In most cases, if you use HealthPay Plus to pay for items or services other than qualified medical expenses, these amounts are subject to income tax and a 10% tax penalty at year-end when you file your taxes. If you are disabled or age 65 or older, however, these ineligible withdrawals are subject only to income tax.

It's up to you to keep records showing you used your HealthPay Plus account funds to pay for qualified medical expenses. Set aside an envelope to collect your healthcare receipts, just as you do for all other expenses eligible for special federal income tax treatment, in case the IRS requests them.

MANAGING AND CONTRIBUTING TO YOUR HEALTHPAY PLUS ACCOUNT

HOW DO I MANAGE MY HEALTHPAY PLUS ACCOUNT?

American Express gives you three easy ways to manage your funds and track your healthcare purchases.

1. Go online for 24-hour access to your account at **americanexpress.com/healthpayplus**
2. Refer to the statement(s) you will receive by mail summarizing your account activities, including:
 - Transactions
 - Deposits
 - Withdrawals
 - Account balance
 - Any fees charged against your account (if applicable)
 - Interest or investment earnings (if applicable)
3. Call the Customer Service number on the back of your Card.

After the end of each year that you maintain your HealthPay Plus account, American Express will send you a 1099SA Form showing any interest you earned that year. Contributions you or your employer make through an employer-sponsored plan (such as through per-paycheck contributions) will be reported on the annual W-2 Form your employer issues.

Who may contribute to my HealthPay Plus account? Depending on how your health plan is set up, you and your employer (if applicable) can contribute to your account, up to the amount of your annual health plan deductible or the IRS limit. If you are age 55 or over, you may also make an annual "catch-up" HSA contribution until you enroll in Medicare.

If you haven't done so already, you can ask your employer to arrange pre-tax payroll contributions, or use the deposit slips included with your HealthPay Plus checkbook to make after-tax contributions. If you make after-tax contributions, you can take a federal income tax deduction for the amount of your contribution (up to your annual deductible) when filing your annual federal income tax return.

You cannot roll over or deposit funds from an IRA or 401(k) retirement account into your HealthPay Plus account.

What happens to my HealthPay Plus account if I leave my job, change my health plan, retire, or die? You own your HealthPay Plus account. This means that if you terminate your association with your employer or change health plans, you can continue to use your HealthPay Plus Card or checks to pay for qualified medical expenses, and you will continue to earn interest on the account. American Express will issue you a new HealthPay Plus Card if these events occur. You cannot contribute to your HealthPay Plus account until you enroll in a new qualifying health plan.

If you decide to withdraw all your funds from American Express Bank, FSB, and do not transfer them to another qualifying HSA within 60 days, your funds are subject to income tax and a 10% penalty may apply when you file your taxes at the end of the year.

If you are married at the time of your death, your spouse will inherit your HealthPay Plus account, unless you designate another beneficiary on the Beneficiary Designation Form. If you are not married at the time of your death, your HealthPay Plus account will go to your estate.

WHERE TO GO FOR MORE INFORMATION

WHAT IF I HAVE QUESTIONS OR NEED HELP?

American Express offers 24-hour account access online at americanexpress.com/healthpayplus. American Express Customer Service representatives are also available to answer your questions. Just call the Customer Service number on the back of your HealthPay Plus Card.

Your security and privacy are our top priorities. American Express Bank, FSB, offers you something that most banks can't offer — the security of being backed by one of the world's largest financial institutions. That means you can always count on American Express to protect your security and privacy.

All deposits held at American Express Bank, FSB, are FDIC insured. And, when you check your statement online, the confidentiality of your personal information is protected by highly sophisticated internet security technology. We keep your Password and other access data strictly confidential, as should you. For additional information about all the ways we protect the confidentiality of your personal information, click on the Privacy Statement link at americanexpress.com/healthpayplus.

