

Health Savings Account Plans

The Law and Plan Choices



Deductibles and Monthly HSA Deposit Options

Deductible	Singles					Families				
	\$1,000	\$1,750	\$2,650	\$3,500	\$5,000	\$2,000	\$3,550	\$5,250	\$7,500	\$10,000
Plan out-of-pocket maximum	Equal to the deductible									
Maximum monthly deposit (tax-deductible limit)*	\$83.33	\$145.83	\$220.83	\$220.83	\$220.83	\$166.66	\$295.83	\$437.50	\$437.50	\$437.50

*Those individuals aged 55 and over may contribute an additional \$600 for tax year 2005.

Golden Rule HSA Management

Current Interest Credited	Access to Funds	One-Time Set-Up Fee	Monthly Maintenance	Minimum Monthly Deposit
4%	Check Book	\$10	\$3	\$25

As custodian, Golden Rule is responsible for the money in your Health Savings Account. We have chosen The Northern Trust Company, a Chicago-based bank, as our agent to administer your HSA.

You will receive an HSA checkbook from The Northern Trust Company shortly after your qualified medical coverage becomes effective. **HSA Withdrawals** are made by simply writing a check.

HSA Deposits are set up on the same payment plan as premiums for the medical coverage. Lump-sum deposits are also accepted; however, you must continue to deposit the \$25 monthly minimum with your premium payment. You will receive quarterly statements itemizing account deposit and withdrawal activity.

If you prefer, you can purchase the qualified medical coverage from Golden Rule and set up your savings account with another qualified custodian.

Health Savings Accounts (HSAs) – Summary of the Law

Effective Date – Tax years beginning after December 31, 2003

Eligibility – Those covered under a qualified high deductible health plan, and not covered by other health insurance or enrolled in Medicare

HSA Contributions – 100% tax-deductible from gross income

Medical Withdrawals – Tax-free

Interest Earned – Tax-deferred; if used for qualified medical expenses, tax-free

Non-medical Withdrawals – Income tax +10% penalty tax (under age 65); income tax only (for age 65 and over)

Death, Disability – Income tax only – no penalty

Deductible and out-of-pocket maximums may be adjusted annually based on changes in the Consumer Price Index.

This is only a brief summary of the applicable federal law. Consult your tax advisor for more details of the law.

HSA Hospital Indemnity Rider

The optional HSA Hospital Indemnity Rider is designed to help protect against major hospitalization expenses during the early months of coverage while cash accumulates in your savings account.

The HSA Hospital Indemnity Rider provides a lump-sum cash benefit on the third day of hospital confinement. This money can be used to help pay your deductible or for any other purpose.

The cash benefit amount depends on your deductible amount and decreases over time (see table).

The optional rider pays once, regardless of the number of hospitalizations, and there are no benefits under this rider if the hospitalization would not have been covered by the medical coverage. In addition, you only pay the premium amount once.

Hospital Indemnity Rider Cash Benefit		
Month	Single Benefit	Family Benefit
1	\$1,500	\$3,200
2	\$1,400	\$2,950
3	\$1,250	\$2,700
4	\$1,150	\$2,450
5	\$1,050	\$2,225
6	\$950	\$2,000
7	\$850	\$1,775
8	\$750	\$1,550
9	\$675	\$1,325
10	\$600	\$1,125
11	\$525	\$925
12	\$450	\$725
13	\$400	\$550
14	\$350	\$400
15	\$300	\$250
16	-\$0-	-\$0-
One-Time Premium Amount For This Option	\$40	\$150

Note: HSA Hospital Indemnity Rider is not available for plans with \$1,000 or \$2,000 deductibles.

