

# Health Savings Account (HSA)

When you elect an "R" Consumer Directed Health Plan, you also get access to a Health Savings Account (HSA). The HSA lets you save before-tax dollars to pay for eligible health care expenses. Any unused money rolls over from year to year, and can even grow with interest. You can make tax-free contributions to your HSA and the company makes a contribution, too.

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[\(http://www.payflex.com\)](#)

[Access Your Account \(http://www.payflex.com\)](#)

## HSA Overview

You're eligible to contribute before-tax dollars into your HSA when you enroll in the Aetna "R"CDHP or Kaiser CA CDHP medical options. Not only can you contribute, but the company makes an additional tax-free\* contribution as well.

- Decide how much you want to save and your contributions come right out of your paycheck. You also have the flexibility to change your contribution amount during the plan year as your expenses change.
- When you set up your account, you'll get a debit card that you can use each time you incur an eligible expense. Visit [www.irs.gov](http://www.irs.gov) (<http://www.irs.gov>) and search for Publication 502 for a full list of eligible expenses.
- If you don't use the money in your account one year, it rolls forward to the following plan year. If you have generally low health care expenses, making the maximum annual contribution can be a valuable tool to help you save for your future and even retirement.
- You can [invest \(/savings-retirement/health-savings-account-hsa/interest-and-investing/\)](#) your balance. The more you save, the more you make on your money.
- The money in your HSA is yours to keep, even if you leave the company or are no longer enrolled in a CDHP medical option. However, you must be enrolled in a CDHP to make contributions.

The HSA is great because it offers triple tax savings – contributions go into your account before-taxes, earn tax-free interest and come out when you need the funds without being taxed.

Learn more about how the plan works by watching the [HSA video \(/contacts-tools-resources/videos/#HSAVideo\)](#).

*\* The Company's tax-free contribution applies on a federal tax level, but may vary by State.*

## Opening Your HSA

When you enroll in a CDHP medical option as a new hire or during Annual Enrollment, you'll see the option to open your HSA during the enrollment process. After you enroll, [PayFlex \(http://www.payflex.com\)](http://www.payflex.com), our HSA administrator, will confirm the accuracy of your personal information – such as your name, address and Social Security number. Once this information is confirmed your HSA will be opened.

Watch your mail for the HSA Welcome Kit from PayFlex/Citibank. This kit will include your HSA debit card. Also, don't forget to designate a beneficiary for your HSA. The "R"Benefits Service Center is not involved with this process, to protect your privacy and follow banking rules.

You decide how much you would like to contribute to the HSA (up to IRS limits – see [2017-2018 \(/savings-retirement/health-savings-account-hsa/2017-2018-company-contributions/\)](#) limits) and you may change your contribution amount at any time. The Company contribution will be deposited into your account in the month your HSA enrollment is effective.

[Click here \(/media/1644/tru-atna-cip-10.pdf?cb=12758\)](#) for more information about the application process.

### If You Don't Open Your HSA

If you don't open your HSA with PayFlex/Citibank, you will forfeit any company contributions and wellness credits. Be sure to open your HSA as soon as you enroll in a CDHP medical option.

### Maintenance Fees

The Company pays the monthly maintenance fee while you remain enrolled in a CDHP medical option as an active team member. However, you are subject to fees for certain banking transactions. See details in the HSA fee schedule. {link to fee schedule} If you un-enroll from a CDHP medical option either as an active team member or due to termination, the Company will no longer pay the account maintenance fees affiliated with your account and it will become your responsibility to pay all of the HSA maintenance and transaction fees.

To avoid fees, check your balance online before you use your card and pay for eligible expenses by using your debit card. You will be charged every time you check your balance via an ATM. If you prefer to pay bills by check, you will be charged for each package of 25 checks.

## 2017-2018 Company Contributions

For 2017-2018, all of the Toys“R”Us medical plans are eligible for a company contribution, as shown in the chart below. You also can make before-tax contributions, up to IRS limits.

	AETNA “R”CDHP GOLD	AETNA “R”CDHP SILVER	AETNA “R”CDHP BRONZE	KAISER CA CDHP
<b>2017 IRS Calendar Year Maximum Contribution* (Company + Team Member)</b>	\$3,400 Team Member Only \$6,750 Team Member + Family			
<b>2017-2018 Company Contribution</b>	\$600 Team Member \$900 TM + One \$1,200 Family	\$600 Team Member \$900 TM + One \$1,200 Family	\$100 Team Member \$150 TM + One \$200 Family	\$100 Team Member \$150 TM + One \$200 Family
<b>2017-2018 Wellness Rebate</b>	\$350 Team Member Only \$700 Team Member + Spouse/Domestic Partner (if you both participate)			

*\*Employees over age 55 can contribute an additional \$1,000 per year as a catch-up contribution.*

If you don't reach the annual IRS maximum through a combination of payroll and company contributions, you can make contributions directly to your account through PayFlex. The Company's contribution to your account is free of any federal taxes but may vary by State.

It's important to note that although you make your HSA contributions during the plan year, the IRS limits are calendar year maximums. It's up to you to make sure that you're not contributing more than the IRS maximum each calendar year – January 1 through December 31 – even though you're making your elections based on the Toys“R”Us plan year, which runs from July 1 through June 30.

## Wellness Rebate

If you enroll in a CDHP option and complete certain wellness steps, you have the added bonus of an additional company contribution to your HSA. All medical options are eligible for the wellness rebate, and the and qualify for a wellness rebate, the Company will deposit the funds (if applicable) into your HSA based on when the steps are completed. See the [Wellness section \(/health-wellness-insurance/wellness/\)](#) for more details.

## Using Your HSA

Throughout the year, you can use the before-tax money in your HSA to pay for eligible expenses as you incur them. For example, you can use your HSA money to pay for eligible out-of-pocket medical expenses, such as doctor's office visits or the cost of prescriptions. Just like when your HSA dollars went into your account tax-free, they are also not taxed when they come out of your account.

You can't take a loan from your HSA like you can with your 401(k). If you use the money in your account to pay for non-medical expenses, those funds will be subject to income tax and may also be subject to a penalty tax. (Medical expenses include eligible dental, vision and orthodontic expenses.)

### HSA Debit Card

[PayFlex \(http://www.payflex.com/\)](http://www.payflex.com/), our HSA administrator, makes it easy to pay for expenses from your account by providing you with a debit card, auto-pay claim capabilities and online access to manage your account. Log on to PayFlex.com or Aetna for more information or to enroll in auto-pay.

### Changing Your Contributions

You can change your contribution election to your HSA at any time during the year. For example, suppose you need a costly surgery and will need to satisfy your deductible. You can elect to increase your HSA contribution, if needed, to pay for your eligible expenses.

## Other Things to Note

Here are some other important things to note about the HSA:

- To be eligible for the HSA, you must participate in a CDHP medical option and you cannot have any other medical coverage (including coverage under your spouse's plan) or a Flexible Spending Account. If enrolled in the HSA, you may participate in the [Limited Purpose Flexible Spending Account \(/health-wellness-insurance/limited-purpose-flexible-spending-account/\)](#).
- Many popular online tax services can easily incorporate your HSA contributions and withdrawals into your tax return—using IRS Form 8889. Citibank will send you two tax forms—a 1099-SA (reports distributions) and a 5498-SA (reports contributions)—which contain information to help you complete Form 8889.
- If you terminate employment or un-enroll from a CDHP as an active team member during Annual Enrollment, due to a life event, or loss of eligibility, your HSA account will be moved to an 'unaffiliated account status' with Citibank. As a result, you will be responsible for paying the monthly maintenance fee, in addition to all other transaction fees associated with your HSA account while it remains open. You will receive a letter from Citibank that will provide more details on this process as well as information on who to contact with any questions.

## Interest and Investing

One of the benefits of your Health Savings Account (HSA) is that it earns interest, tax-free. Your HSA has tiered interest rates. This means your rate depends on your HSA balance. The more money you save in your HSA, the higher your interest rate may be, as shown below:

HSA BALANCE	INTEREST RATE
\$0.01-\$2,000.00	0.05%
\$2,000.01-\$7,500.00	0.10%
\$7,500.01-\$10,000.00	0.20%
More than \$10,000	0.40%

## Investing

Once your balance reaches \$2,000, you have the option of choosing from a number of investment options through PayFlex. Visit the [PayFlex website \(http://www.payflex.com/\)](http://www.payflex.com/) to learn more.

## Printed Materials & Brochures

- [Health Savings Account Brochure \(/media/1435/tru-hsa-13.pdf\)](#)
- [HSA Presentation \(https://s3.amazonaws.com/watch.knowledgevision.com/923aa625686d49baba315ef0d7ca9d8c?Expires=2145910800&AWSAccessKeyId=AKIAIBXQ24MXQ4CMI74A&Signature=pmLT9bgGj0s6nHexiDfkbYu2%2F8%3D\)](https://s3.amazonaws.com/watch.knowledgevision.com/923aa625686d49baba315ef0d7ca9d8c?Expires=2145910800&AWSAccessKeyId=AKIAIBXQ24MXQ4CMI74A&Signature=pmLT9bgGj0s6nHexiDfkbYu2%2F8%3D) about your account and how to use PayFlex
- [HSA Investment Guide \(/media/1065/tru-investment-guide.pdf\)](#)
- [HSA Quick Reference Guide \(/media/1066/tru-hsa-quick-reference-guide.pdf\)](#)
- [HSA Member Guide \(/media/1013/2015-employee-hsa-rules-of-the-road.pdf\)](#)
- [AutoDebit—A Convenient Way to Pay \(/media/1640/tru-atna-ato-db-10.pdf\)](#)

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