

# Health Savings Account (HSA)

When you enroll in a Aetna or Kaiser CA medical plan, you also get access to a Health Savings Account (HSA).

- 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.
- Make tax-free contributions to your HSA. Toys"R"Us makes a contribution, too.

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

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

## HSA Overview

You may contribute before-tax dollars into your HSA when you enroll in the Aetna or Kaiser CA medical options. The Company makes an additional tax-free\* contribution too.

- Decide how much you want to save and your contributions come right out of your paycheck.
  - You can change your contribution amount anytime during the plan year.
- 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, it rolls over to the following plan year.
  - If you have low health care expenses, making the maximum annual contribution can help you save for the 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.
- Your HSA funds are yours to keep, even if you leave the company or are no longer enrolled in a Aetna or Kaiser CA medical option. However, you must be enrolled in an HSA eligible medical plan to make contributions.

The HSA 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 an Aetna or Kaiser CA medical plan, 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), the HSA administrator, will confirm your personal information – such as your name, address and Social Security number. Once this information is confirmed your HSA will be opened.

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

### Welcome Kit and Debit Card

Once opened, you'll receive your HSA Welcome Kit and debit card in the mail from PayFlex/Citibank.

Don't forget to designate a beneficiary for your HSA!

### Contributions

- You decide how much you would like to contribute to the HSA, up to IRS limits.
  - See [2017-2018 \(/savings-retirement/health-savings-account-hsa/2017-2018-company-contributions/\)](#) IRS limits
- Your contribution amount can be changed at anytime.
- The Company contribution will be deposited into your account in the month your HSA enrollment is effective.

### If You Don't Open Your HSA

You will forfeit any company contributions and wellness credits. Be sure to open your HSA as soon as you enroll in an Aetna or Kaiser CA medical option.

### Maintenance Fees

- If you are an active team member, the Company will pay the monthly maintenance fee while you are enrolled in a Toys"R"Us Aetna or Kaiser CA medical plan.
- You are subject to fees for certain banking transactions.
  - View the latest HSA Fee Schedule in the Financial Center on [Payflex.com \(http://www.payflex.com/\)](http://www.payflex.com).
- The Company will stop paying your account maintenance fees if you un-enroll from the Toys"R"Us Aetna or Kaiser CA medical option as an active team member or due to termination. You would be responsible for paying any HSA future maintenance and transaction fees.

### Tips to Avoid Fees

- Check your balance [online \(http://www.payflex.com/\)](http://www.payflex.com/) before you use your card.
  - You will be charged every time you check your balance via an ATM.
- Pay for eligible expenses by using your debit card.
  - If you prefer to pay bills by check, you will be charged for each package of 25 checks.

## 2017-2018 Company Contributions

All of the Toys"R"Us medical plans are eligible for a HSA company contribution, as shown in the chart below. You also can make before-tax contributions, up to IRS limits.

	AETNA GOLD	AETNA SILVER	AETNA BRONZE	KAISER CA
<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 your own contributions and the Company's, you can make contributions directly to your HSA through [PayFlex \(http://www.payflex.com/\)](http://www.payflex.com/). The Company's contribution to your HSA is free of any federal taxes, but may vary by State.

### HSA Contribution Limits

Although you make your HSA contributions during the plan year, the IRS limits are calendar year maximums.

It's your responsibility to make sure 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 - July 1 through June 30.

## Wellness Rebate

If you're enrolled in a Toys"R"Us medical plan and complete certain Wellness Rebate activities, you can earn an additional company contribution to your HSA.

See the [Wellness section \(/health-wellness-insurance/wellness/\)](/health-wellness-insurance/wellness/) for more details.

## Using Your HSA

### Qualified Expenses

Throughout the year, you can use the money in your HSA to pay for eligible expenses, tax free, 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.

### Non-Eligible Expenses

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.)

### No Loans

You're not allowed to take a loan from your HSA like you can with your 401(k).

### HSA Debit Card

PayFlex, 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 \(http://www.payflex.com/\)](http://www.payflex.com/) or [Aetna \(http://www.aetna.com/\)](http://www.aetna.com/) for more information or to enroll in auto-pay.

### Changing Your Contributions

You can change your contribution amount 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 HSA details:

- To be eligible for the HSA, you must be enrolled in a HSA eligible medical plan and cannot have any other medical coverage (including coverage under your spouse's plan) or a regular Flexible Spending Account.
  - If enrolled in the HSA, you may participate in the [Limited Purpose Flexible Spending Account \(/health-wellness-insurance/flexible-spending-accounts/limited-purpose-flexible-spending-account/\)](#).
- You'll need to indicate your HSA contributions and withdrawals on 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 will help you complete Form 8889.
- If you terminate employment or are no longer enrolled in the Toys"R"Us Aetna or Kaiser CA medical plan, your HSA account will be moved to an 'unaffiliated account status' with Citibank.
  - You will be responsible for paying the monthly maintenance fee and any transaction fees associated with your HSA while it remains open.
  - You will receive a letter from Citibank providing more details on this process and 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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