

# PNC's BeneFit Plus

## Health Savings Account: A Closer Look



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# What is a Health Savings Account?

An HSA is a personally owned account designed to help you save money and pay for qualified medical expenses\*



Paired with a High Deductible Health Plan



Account owned by you



Pays for current and/or future medical expenses



Contributions are **tax-deductible**



Interest earning and/or investment gains are **tax exempt**



Distributions are tax-free when used to pay for qualified medical expenses



No “**use-it-or-lose-it**” requirement; balances roll over year-to-year like a 401(k) and can be saved to pay for future expenses – **Goes where you go.**



\* PNC does not provide legal, tax or accounting advice. Consult your tax advisor about tax benefits applicable to Health Savings Accounts.

# Who Is Eligible for an HSA?

Any individual can open and make contributions to an HSA, if they meet all of the following requirements:

- ✓ Covered by a High-Deductible Health Plan (HDHP)
- ✓ Not covered by other health insurance
- ✓ Not enrolled in Medicare
- ✓ Not claimed as a dependent on someone else's tax return



HSA Maximum Contribution Limits <sup>1</sup>	2024	2025
Self Only	\$4,150	\$4,300
Family	\$8,300	\$8,550
Catch-up Contributions (age 55 by the end of the year)	\$1,000	\$1,000

**Note:** Be sure to review applicable IRS eligibility requirements before enrolling.

**Quick Tip!** Once eligible and covered by an HSA-Qualified Plan, you can establish one or change your payroll deduction at any time!

<sup>1</sup> To review annual IRS contribution limits for HSAs, please see IRS Publication 969 or visit <http://www.irs.gov/pub/irs-pdf/p969.pdf>.

# What Are Qualified Medical Expenses?

IRS Publication 502<sup>2</sup> contains a list of all approved qualified medical expenses, including but not limited to:

## DOCTOR/HOSPITAL SERVICES

- Doctor's office visits, hospital visits, ambulance services, flu shot/immunization, physical therapy, and eye surgery

## PHARMACY

- Prescriptions, over-the-counter medications, feminine hygiene products

## MEDICAL PRODUCTS

- Wheelchair/crutches, hearing aids, eyeglasses, and contact lenses

## SERVICES/TREATMENTS

- Drug/alcohol treatment, nursing home / services, diagnostic services, smoking cessation programs, psychiatric care, acupuncture, fertility treatment, chiropractic treatment, and dental treatment



<sup>2</sup> To view a partial list of qualified medical expenses, see IRS Publication 502 available at <http://www.irs.gov/pub/irs-pdf/p502.pdf>.

## #3 HSA Myth: They're only for the young and healthy

**False:** HSA enrollment is nearly equal across age groups. 52% of all HSA/HDHP enrollees in the individual market (including dependents covered under family plans) were age 40 or over; 48 percent were under age 40<sup>3</sup>.



## #2 HSA Myth: I can only use the HSA on myself if I have individual HDHP coverage\*

**False:** You can use your HSA to cover out-of-pocket expenses for a spouse and dependents, as long as they're claimed on your taxes.

<sup>3</sup> Source: AHIP 2016 HSA/HDHP Census

**#1 HSA Myth: I don't like the HSA because I am afraid that if I don't spend it I will lose it at year end.**

**False:** HSAs, by design, are intended (and encouraged) to rollover year-to-year. Unlike the FSA, there is no “*Use it or Lose it*” provision.

For example, if you save \$3,000 for 10 consecutive years starting with age 30, you'll have \$175,000 by age 65, assuming you invest and earn 6% annually<sup>3</sup>.

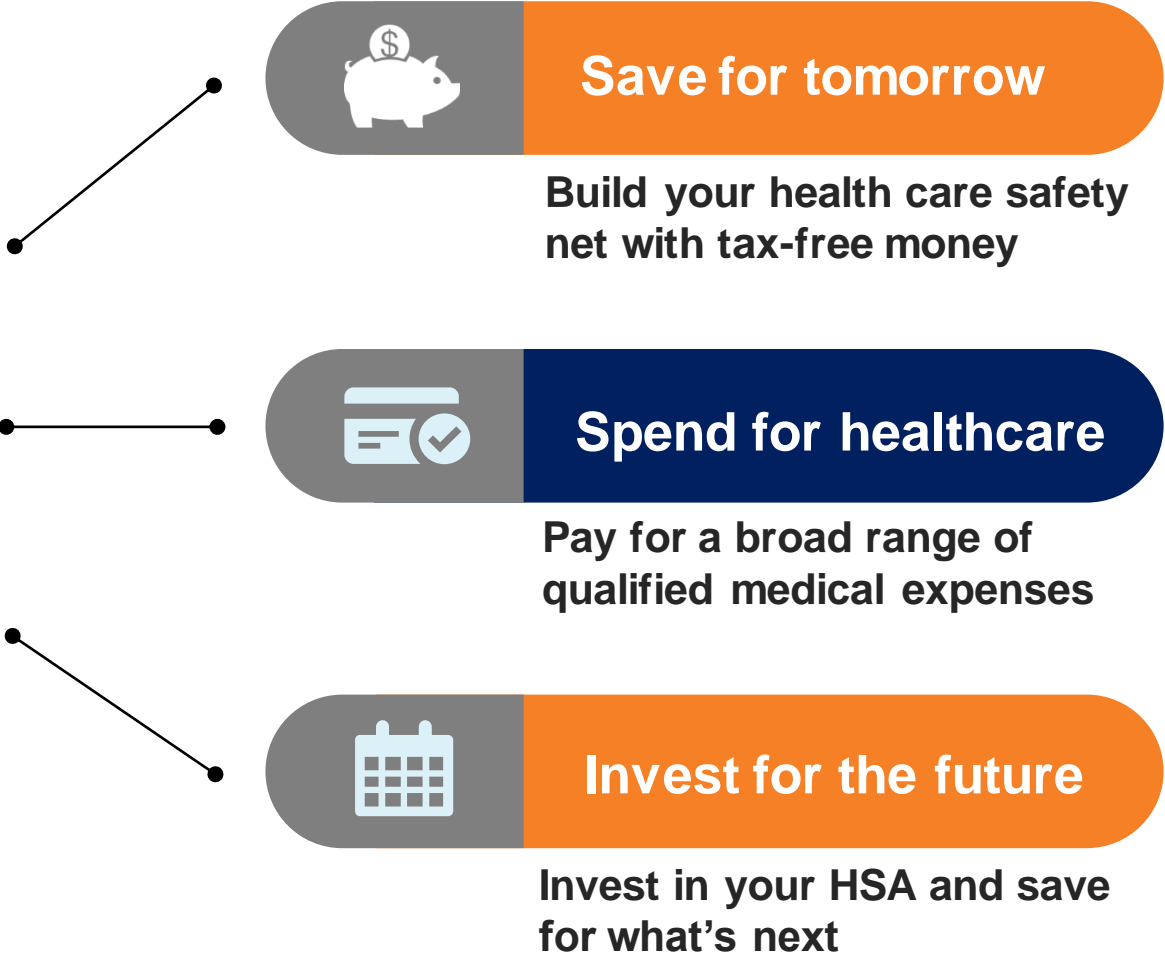
There is no time limit in which you need to reimburse yourself for any qualified medical expenses you paid out-of-pocket.



<sup>3</sup> Source: AHIP 2016 HSA/HDHP Census



Health  
**SAVINGS**  
Account



# Tax Benefits of HSAs: Retirement Planning



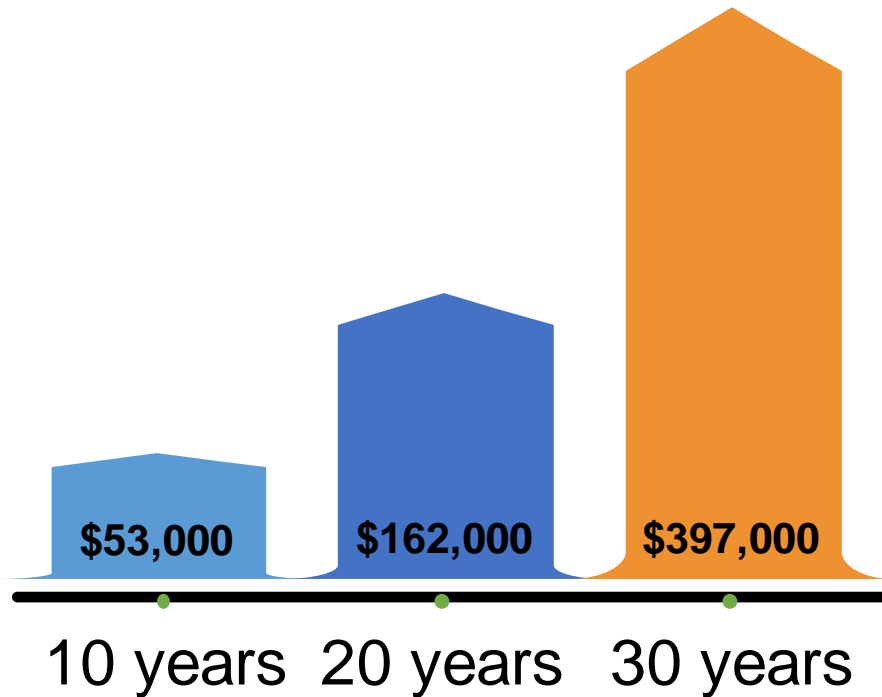
		Money In	Gains	Money Out
Retirement	Traditional IRA	Not Taxed	Not Taxed	Taxed
	Roth IRA / 401(k)	Taxed	Not Taxed	Not Taxed
	401(k)	Not Taxed	Not Taxed	Taxed
Health / Retirement	Health Savings Account (HSA)	Not Taxed**	Not Taxed	Not Taxed***

\*\*Except in California and New Jersey

\*\*\*If used for qualified medical expenses



Both have similar growth potential but HSAs have more flexibility



## Sweeten retirement

In this example, **invest \$3,000 per year** and take advantage of the investment potential of your HSA



## Use it anytime

Unlike a 401(k), **use the funds for healthcare expenses any time** – today or in retirement

Assumes \$3,000 is placed in the investment account each year for either 10, 20, or 30 years and earns 8% annual return. All returns and principal remain invested each year.

## SPENDERS

### Characteristics:

- Family with active kids
- High healthcare user

### Activity and Tools:

- Debit Cards for Dependents
- Links bank accounts for direct reimbursement
- Interest bearing cash account
- Online Bill Pay
- PNC BeneFit Plus Mobile app
- Expense Tracker for annual financial planning



Steve

## SAVERS

### Characteristics:

- Financially savvy
- Focused on financial future

### Activity and Tools:

- Interest bearing cash account
- HSA Investment Account
- Enables Investment Sweep
- On-line Account Summary with Investment Details
- eContribute from bank account
- Expense Tracker for recording out-of-pocket expenses



Nicole

# Tax Savings Example

Nicole is single and contributes **\$3,000** to her HSA this year. She saves:

\$750

Federal Tax @ 25%

\$150

State Tax @ 5%

\$230

FICA Tax @ 7.65%

\$1130

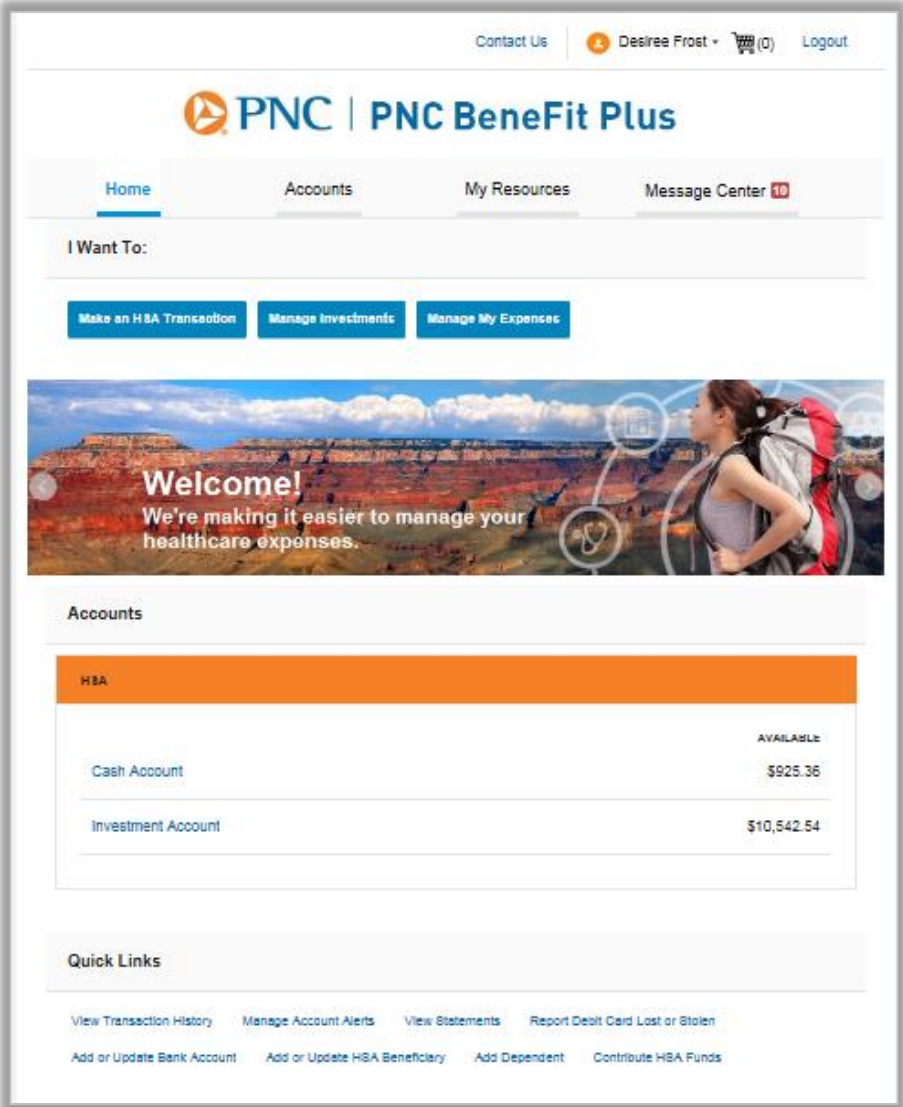
Total Tax Savings (37.65%)



*For Illustrative Purposes Only*

## Industry leading design:

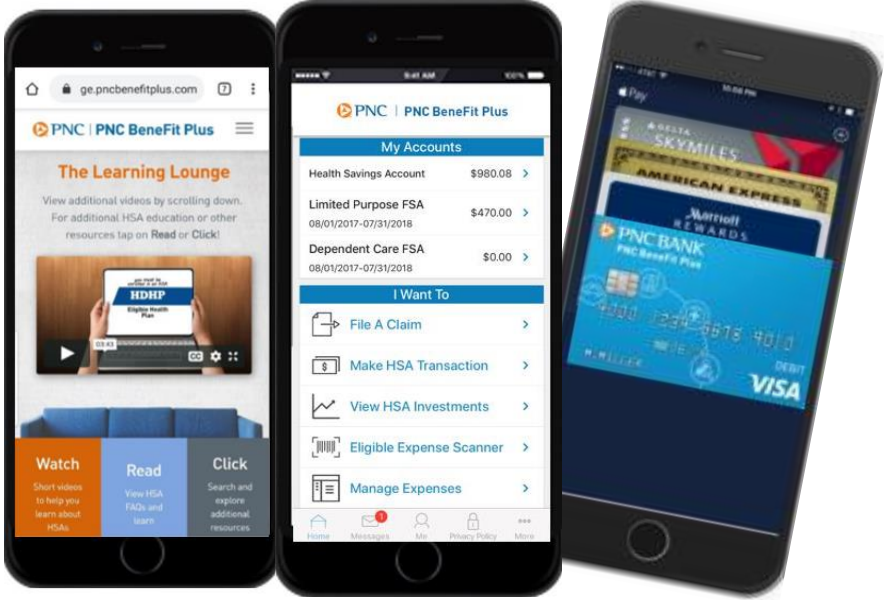
- Customized content and messaging
- One click access for common actions
  - I Want To
  - Quick Links
- Profile management
- Dashboard view of transaction activity
- Initiate and execute account transactions:
  - Bill Pay
  - Direct Deposit reimbursement
- Manage HSA Investments
- Establish and track HSA savings goals
- Track healthcare expenses / upload receipts
- Targeted messaging



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## The PNC BeneFit Plus Mobile App, Mobile Wallet, and Mobile Learning

- Fingerprint / facial recognition login capability
- Check balances and transaction detail
- Process HSA contributions and distributions
- View HSA investment balances and transaction detail
- Add new expenses or edit existing transactions
- Use the device camera to capture and upload images of receipts and supporting document
- Shop smart; scan barcodes to check if products are IRS-qualified expenses
- View educational videos and access other resources
- Browse HSA eligibility lists
- Shop for eligible healthcare products and services



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## PNC BeneFit Plus Debit Card

Use wherever you purchase medical goods and services

- Drug Stores and Pharmacies
- Doctor or Dentist Office,
- Vision / Optical Stores or Supplies
- Medical Services and Practitioners
- Chiropractors

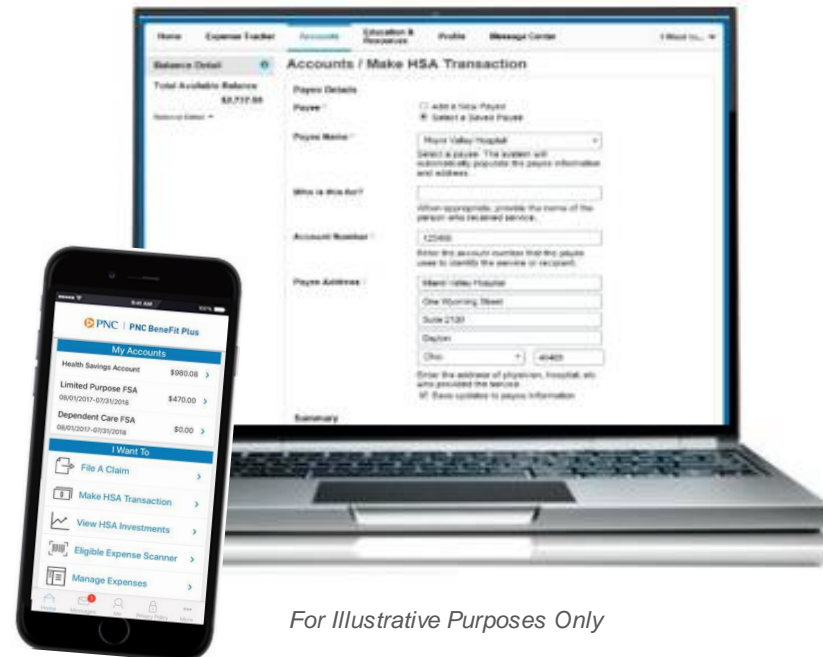


## Other Distribution Options

- **Direct Deposit Reimbursement:** initiate an online reimbursement to a personal bank account
- **Bill Pay:** Online “pay the provider” option
- **Mobile:** initiate a reimbursement to a personal bank account or pay a provider

### Quick Tip!

- Request additional debit card(s) online for your spouse or qualified dependents (no additional charge!)
- Card cannot be used at ATMs



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# Managing Your HSA: My Resources



The My Resources tab provides access to important account education and resources

- HSA Education
- Learning Lounge
- Educational Videos
- HSA Investment Collateral
- IRS Publications
- Forms and Agreements Library
- Website Navigational Tutorials
- **Healthcare Toolbox**
  - Health Promotion (External Providers)

## My Resources / Learn

**Introducing the PNC BeneFit Plus Learning Lounge!**  
Whether you are a beginner, expert or somewhere in the middle, the PNC BeneFit Plus Learning Lounge has the videos, tools and resources you need to help you maximize the value of your HSA.

Visit the Learning Lounge today!

### Get to Know Your HSA

- Learn About Your Health Savings Account
- Frequently Asked Questions
- PNC Debit Card Frequently Asked Questions
- Learn About Your HSA (Spanish)
- Frequently Asked Questions (Spanish)

### Videos: Learn About Your PNC HSA

- Watch: What is an HSA and Why Would I Wa...
- Watch: How an HSA and HDHP Work Together
- Watch: Get to Know Common Benefit Terms
- Watch: Get to Know the PNC BeneFit Plus P...
- Watch: Get to Know the PNC BeneFit Plus M...

### Save For Your Future

- HSA Investment Options & Performance
- HSA Investment Overview

### Healthcare Toolbox

- HSA Eligible Expense List on HSA Store
- Illness or Condition? Check Out WebMD Sym...
- Inside Rx - Medication Discount Card
- Manage Your Health @ WebMD.com
- Shop for Eligible Products @ Health Shopper
- Shop HSA Eligible items on HSA Store

### PNC BeneFit Plus Mobile App

- PNC BeneFit Plus Mobile App Overview
- Download: Apple | Download: Android

### IRS Publications

- IRS Pub. 502: Medical & Dental Expenses
- IRS Form 8889: Health Savings Accounts
- IRS Pub. 969: HSAs & Other Tax-Favored He...

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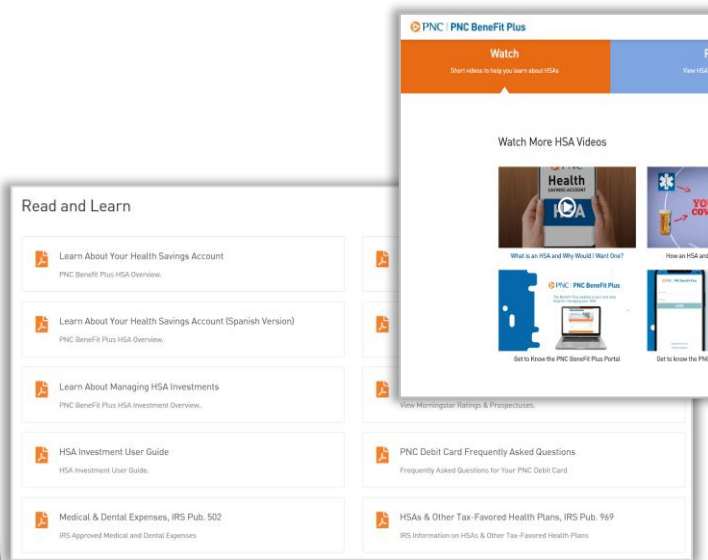
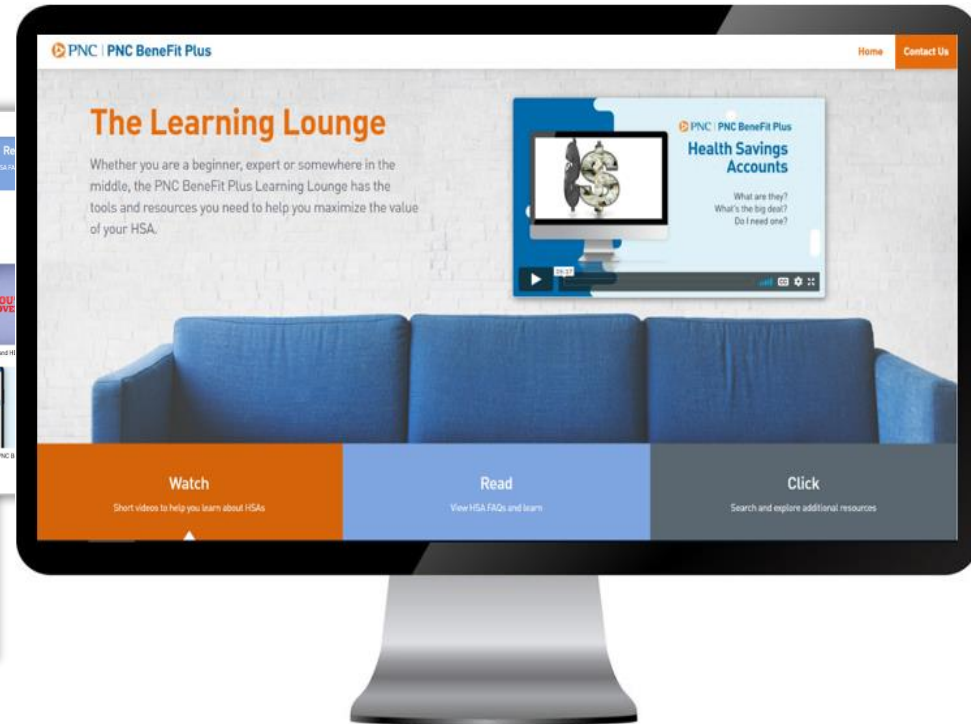
# Managing Your HSA: BeneFit Plus Learning Lounge

## HSA Education and Resources Platform



The **PNC BeneFit Plus Learning Lounge** was created to visually articulate the benefits of HSAs.

- Offers short, creative and engaging video content
- Introduces the concept of HSAs in a friendly, unintimidating way
- Provides educational videos and other resources
- Helps you maximize your HSA





**The PNC BeneFit Plus Healthcare Toolbox:** A consortium of external resources designed to assist employees with becoming savvy healthcare consumers, help make more informed decisions and reduce out-of-pocket expenses.

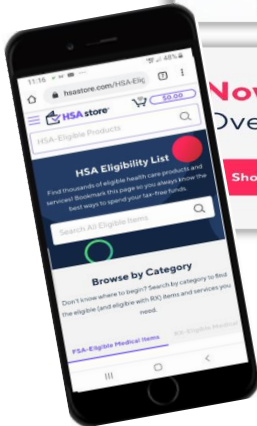
- **Inside Rx:** Search for discounts on thousands of brand and generic medications at over 60k pharmacies.
- **HSA Store:** One-stop online shop stocked exclusively with HSA-eligible products and services.
- **Health Shopper:** Search for a wide array of FSA/ HSA eligible items and view resources. Powered by Amazon.
- **Eligibility List(s):** Check on product eligibility and compare prices.

**Search Prices. Get Discounts.**  
Save an average of 70% on brand and generic medications.\*  
Looking for:

**HSA store**  
The largest selection of guaranteed HSA-eligible products, zero guesswork.

**HEALTH SHOPPER**  
Simple. Eligible. Painless.  
[Click Here to Learn More](#)

**Now Eligible!**  
Over-the-Counter Meds



WebMD®

Think of your HSA as a 401(k) for qualified medical expenses

**Reminder:** Interest and/or investment growth are tax free if used to pay for qualified medical expenses

- Establish your investment account anytime
- Begin investing once your account reaches \$1,000
- Broad portfolio of investment options

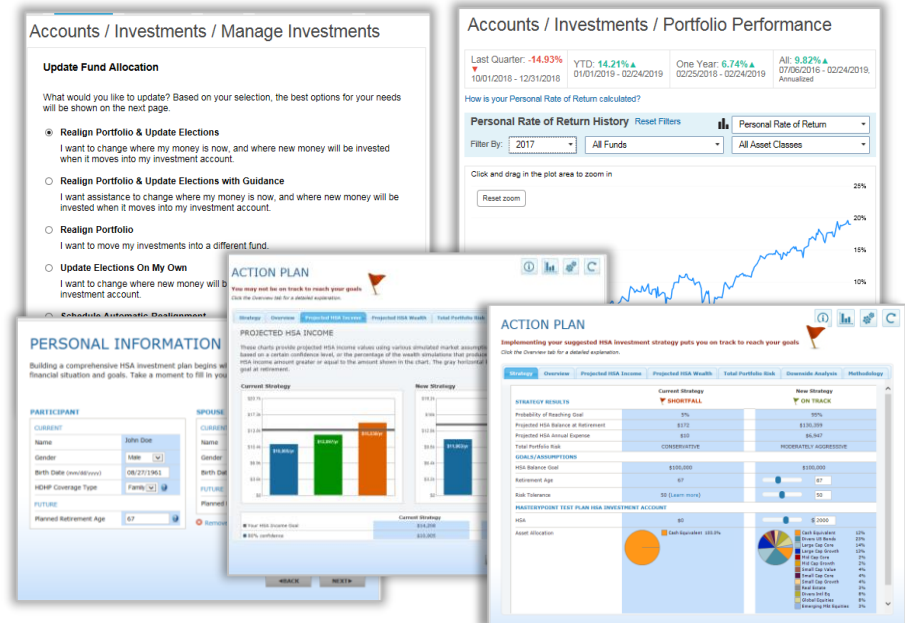
Plan for your future needs and act now

- Coordinate your retirement planning strategy and allocation between 401(k) and HSA contributions
- Consider your medical expense \$\$\$ needs in your future and during retirement



- HSA Mutual Fund Investments are optional
- PNC employees cannot provide HSA investment recommendations and/or advice.

Markets do and will change. Past performance is not indicative of future results. Actual results will vary, and may be adversely affected by exchange rates, interest rates, commodity prices or other factors. Investments may lose value.



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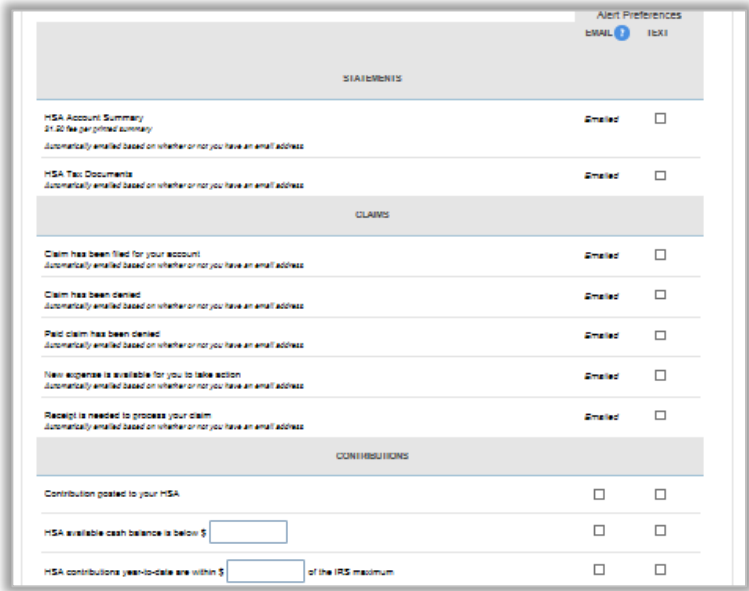
## Expense Tracker

- Enter expenses online, track and categorize
- Consolidate & manage qualified expenses
- Securely upload receipts, EOBs, or documentation
- Pay Providers or issue reimbursements
- Budget and plan for annual medical expenses
- Integrated with the BeneFit Plus Mobile Application



## Notifications & Alerts

- **Contributions:** Posting, balance, IRS maximum
- **Payments:** Issued, custom threshold
- **Claims:** Filed, receipt needed, denied
- **Debit Card:** Mailed card, purchases made
- **Statements / Tax Forms:** When issued and available



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# Managing Your HSA: Your Profile



## Manage Your Profile:

- Establish HSA Beneficiaries
- Add Dependents for qualified medical expense tracking
- Add personal bank accounts
- Manage HSA debit cards on your account
- Set up Authorized Contacts such as a spouse that can speak with Customer Service on your account

[Contact Us](#) | Desiree Frost (0) [Logout](#)

**PNC | PNC Benefit Plus**

[Home](#) | [Accounts](#) | [My Resources](#) | [Message Center](#) (10)

### Profile / Profile Summary

Profile <a href="#">Update Profile</a>		Dependents <a href="#">Add Dependent</a>	
<b>DESIREE FROST</b> ADDRESS 126 Main Street Pittsburgh, PA 15201 United States  EMAIL ADDRESS noemail@email.com		<b>DAVID FROST</b> Birth Date: 8/27/1969 Student: No <a href="#">View / Update</a>	
<b>GENDER</b> Unspecified		<b>MARITAL STATUS</b> Unspecified	
<b>EMPLOYER EMPLOYEE ID</b> 594011004		<b>PARTICIPANT ACCOUNT...</b> 594011004	

Beneficiaries <a href="#">Add Beneficiary</a>		Authorized Contacts <a href="#">Add Authorized Contact</a>	
<b>DAVID FROST</b> Type: Primary Share: 100% <a href="#">View / Update</a> <a href="#">Remove</a>		No Authorized Contacts	

### Banking / Cards

Bank Accounts <a href="#">Add Bank Account</a>	Debit Cards				
<b>MY BANK</b> ⓘ My Bank xxxx2233 Checking <a href="#">View / Update</a>	<b>DESIREE FROST</b> Card Number: x0004 † Status: Active Expires: 11/30/2019 Effective: 11/1/2016 <a href="#">Report Lost/Stolen</a> <a href="#">Order Replacement</a>				
<b>FROST CHECKING</b> PNC BANK, NA xxxx3456 Checking <a href="#">View / Update</a> <a href="#">Remove</a>	<div style="background-color: #f4a460; padding: 5px;"><b>ISSUE CARDS</b></div> <table border="1"> <tr> <td>David Frost</td> <td><a href="#">Issue Card</a></td> </tr> <tr> <td>Suzy Frost</td> <td><a href="#">Issue Card</a></td> </tr> </table>	David Frost	<a href="#">Issue Card</a>	Suzy Frost	<a href="#">Issue Card</a>
David Frost	<a href="#">Issue Card</a>				
Suzy Frost	<a href="#">Issue Card</a>				

### Login Information

Password	<a href="#">Change Password</a>
Username	<a href="#">Change Username</a>
Security Questions	<a href="#">Change Security Questions</a>

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# Your Responsibilities & Who to Call

## Always save your receipts

- No third-party substantiation of how your money is spent
- IRS may need receipts if you are part of a general IRS audit



## Tax Reporting

- PNC will provide **IRS Form 1099-SA** only if you distributed funds out of your HSA in the prior year
- PNC will provide **IRS Form 5498-SA** if you contributed funds to your HSA
- Complete form 8889 annually when you do your taxes

## You are responsible for how you spend your HSA dollars

## Who to contact about your HSA? We're here to help!

- **Call:** PNC Consumer Services at (844) 356-9993
- **Email:** [PNCBeneFitPlus@HealthAccountServices.com](mailto:PNCBeneFitPlus@HealthAccountServices.com)
- **Website:** <https://participant.pncbenefitplus.com>



*Thank You!*

 **PNC | PNC BeneFit Plus**

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