Welcome to your M&T Bank Health Savings Account

Your Welcome Guide
3 easy steps to access your HSA

**Step 1**
Go to [www.mywealthcareonline.com/mtia/Enrollment/OpenEnrollment.aspx](http://www.mywealthcareonline.com/mtia/Enrollment/OpenEnrollment.aspx)

**Step 2**
Enter the **Employer ID** listed in your welcome email.

**Step 3**
Follow the instructions to set up your online account access.
Thank you for choosing M&T Bank as the custodian of your Health Savings Account (HSA). Your account has been set up and is ready to accept contributions. Your account number and information about accessing your account online can be found in your welcome email. To learn more about your HSA and to access HSA tools, visit your employee portal at http://hsa.mtb.com/employee.

**Your Welcome Guide includes important information**

You can start to use the funds in your HSA to pay for any qualified medical expenses you incur as soon as you have money in your account. This guide provides you with important information about how to use your Health Savings Account, including contributions, withdrawals and how to make the most of your HSA.

**Accessing your M&T Bank HSA funds**

Your M&T Bank HSA funds can be accessed with your HSA debit card. Your card will be sent to you in a separate mailing. You can go to www.mywealthcareonline.com/mtia to access your HSA account online.

If you have any questions regarding your HSA, please call M&T Bank at 1-877-MTB-HSA1 (1-877-682-4721). Customer Support Specialists are available Monday through Friday from 6:00 A.M. to 9:00 P.M., or Saturday and Sunday from 6:00 A.M. to 5:00 P.M. Eastern Time. Automated account information is available 24/7.

Welcome to your new M&T Bank Health Savings Account!

M&T Bank Member FDIC

All products and services are subject to bank approval.
How can I make contributions to my HSA?

You can fund your HSA in several ways, including automatic payroll deductions or consolidating funds from another HSA.

There are several convenient ways to contribute to your HSA!

- **By automatic payroll deduction**
  Your employer may be able to deduct money on a pre-tax basis from every paycheck to be deposited automatically into your HSA.

- **By rollover from an IRA**
  You may be able to make a one-time transfer directly from an Individual Retirement Account (IRA) into your HSA. Contact M&T Bank at 1-877-MTB-HSA1 (1-877-682-4721) for further details.

- **By consolidating funds from another HSA**
  You can make a rollover from one HSA to another. A trustee-to-trustee transfer may be more appropriate for converting your Archer MSA to an HSA. Contact M&T Bank at 1-877-MTB-HSA1 (1-877-682-4721) for further details.

### Health Savings Account Contribution Limits

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum Annual Contribution</th>
<th>Catch-up Contribution (Ages 55 and older)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Self-only</td>
<td>Family</td>
</tr>
<tr>
<td>2012</td>
<td>$3,100</td>
<td>$6,250</td>
</tr>
<tr>
<td>2013</td>
<td>$3,250</td>
<td>$6,450</td>
</tr>
</tbody>
</table>

Contribution limits are established by the IRS and may be adjusted each year for inflation. You can contribute up to the maximum limit even if you join your qualified HDHP after the beginning of the year. To do so, you must have HDHP coverage for the last month of the taxable year and for the following 12 months.
How much should I contribute to my HSA?

Contributing the maximum allowable amount will enable you to make the most of your HSA. You may want to contribute at least enough to cover your anticipated yearly qualified medical expenses. Your balance will roll over from year to year. Because of the tax advantages,¹ there may be no better long-term savings vehicle than your HSA.

**Contribution limits for HSAs are set by the IRS each year**

The maximum contribution limits for Health Savings Accounts are established by the IRS each year. The current allowable limits are shown in the table to the left. The dollar amounts may be adjusted for inflation each year. You can contribute the maximum amount even if you joined a qualified HDHP after the start of the year, as long as you have coverage for the last month of the taxable year and for the following 12 months.²

**If you are over 55, you may be able to “catch up”**

If you are age 55 or older, you may be eligible to make a “catch-up” contribution. The current catch-up limits are shown in the table to the left. You can contribute the maximum amount even if you joined a qualified HDHP after the start of the year, as long as you have HDHP coverage for the last month of the taxable year and for the following 12 months.²

¹ State taxes may vary.

² If your HDHP coverage lapses during this time period, you will need to pro-rate your HSA contributions to the number of full months of HDHP coverage. Any excess contributions will be subject to ordinary income tax and may incur an additional 20% IRS penalty.
You can use HSA funds to pay for qualified medical expenses. You can also pay out-of-pocket and allow your HSA savings to grow.

Medical expenses can be managed in one of the following ways:

- **Using your HSA debit card**
  You can use the Health Savings Account Card just like a regular debit card to pay for qualified medical expenses. HSA withdrawals made for non-qualified expenses are subject to ordinary income tax and may incur an additional IRS penalty. Your card will be mailed to you separately.

- **Using M&T Bank online account access**
  M&T Bank provides secure, convenient online account access at no charge, allowing you to view balances and transactions and manage your investments.

- **Using M&T Bank bill payment**
  You can use your M&T Bank online bill payment to pay for a qualified medical expense or to reimburse yourself for an out-of-pocket medical expense. To access your account online, go to [www.mywealthcareonline.com/mtia](http://www.mywealthcareonline.com/mtia).

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### Qualified vs. Non-Qualified Expenses

<table>
<thead>
<tr>
<th>Sample Qualified Medical Expenses¹</th>
<th>Sample Non-Qualified Medical Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acupuncture</td>
<td>Over-the-counter drugs²</td>
</tr>
<tr>
<td>Chiropractic care</td>
<td>Cosmetic surgery</td>
</tr>
<tr>
<td>Hearing aids</td>
<td>Medicines and drugs from other countries</td>
</tr>
<tr>
<td>Eyeglasses</td>
<td>Nutritional supplements</td>
</tr>
</tbody>
</table>

¹IRS Publication 502 provides a partial list of qualified medical expenses. Visit [www.irs.gov](http://www.irs.gov) or call the IRS at 1-800-829-3676 to receive your free copy.

²Unless obtained with a prescription.
Medical expenses must be “qualified”
In general, medical expenses must be primarily for the alleviation or prevention of a physical or mental illness in order to be regarded as “qualified” by the IRS. Keep in mind that distributions from your HSA not used for qualified medical expenses are included in your taxable gross income.¹

Check your HDHP to see if specific expenses count toward your deductible
Qualified medical expenses may or may not count toward your HDHP deductible. Be sure to check the specifics of your HDHP to verify which expenses will be applied toward your deductible.

Keeping track of your expenses is important
You will need to keep receipts of all medical expenses for both your HDHP provider and the IRS for at least three years. Because your HSA contributions are tax-deductible on a federal basis,² you will need to keep accurate records for tax-reporting purposes.

¹ HSA withdrawals made for non-qualified expenses are subject to ordinary income tax and may incur an additional 20% IRS penalty.
² State taxes may vary. Consult your tax advisor.
Whether you are a short-term saver or long-term investor, M&T Bank can provide you with the right HSA investment choices.

**Short-term savers will earn interest**
The M&T Bank FDIC-insured HSA Deposit Account works like an interest-bearing savings account for short-term savers. You will earn interest on your contributions. Interest accumulates tax-free.Withdrawals are tax-free as long as the funds are used for qualified medical expenses. Contact your Benefits Administrator for a detailed list of qualified and non-qualified medical expenses.

**Long-term investors can choose from a variety of investments**
Employees who prefer to use their HSA primarily as a long-term savings vehicle may want to consider investing a portion of their HSA dollars in mutual funds through the M&T HSA Investment Account. There is a $3,000 minimum account balance before this option is available.

1 State taxes may vary. Consult your tax advisor.
2 HSA withdrawals made for non-qualified expenses are subject to ordinary income tax and may incur an additional 20% IRS penalty.

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### Sample HSA Saver vs. Investor Profiles

<table>
<thead>
<tr>
<th>HSA Short-Term Saver</th>
<th>HSA Long-Term Investor</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year in an HSA</td>
<td>Several years in an HSA</td>
</tr>
<tr>
<td>Contributing just enough for medical expenses</td>
<td>Contributing more than anticipated medical expenses</td>
</tr>
<tr>
<td>Will need HSA to pay for medical expenses</td>
<td>Could pay easily out-of-pocket for medical expenses</td>
</tr>
</tbody>
</table>

These profiles are samples and for illustration purposes only. They are not meant to be investment or tax advice. Always consult a prospectus before investing any money.
HSA Investment Account choices

With online account access, you can view transactions, holdings, and statements, place a trade or update your information. Simply access your account by going to www.mywealthcareonline.com/mtia and entering the information requested. From there, you can access all of your account information. You will also be able to view your HSA account balances and manage your portfolio holdings and transactions.³

³Investments in mutual funds are not FDIC-insured, are not a deposit or other obligation of, or guaranteed by, M&T Bank, and are subject to investment risks, including possible loss of the principal amount invested. M&T Bank does not offer investment advice. You are solely responsible for managing your self-directed HSA Investment Account. Please carefully weigh the advantages and disadvantages of investing your HSA funds versus keeping them in your HSA Deposit Account. There are no guarantees that your investments will make money. It is possible you will lose money. You cannot make additional contributions to your HSA to replace any losses that occur from investing. The mutual fund shares are offered by Prospectus only. Before you invest in any particular mutual fund, you should carefully review the fund’s Prospectus and consider its objectives, associated risks and any other fees or expenses that may apply. You can find a fund’s Prospectus by logging into your HSA Investment account. You can also call the fund’s toll free number to request a prospectus.
Making healthy consumer and lifestyle choices may be some of the best investments you can make.

**HDHP/HSA programs can have financial rewards**
HDHP/HSAs reward healthy choices. The less you spend on healthcare, the more you can save in your HSA. Health consumerism and healthy lifestyle choices can also help control the rising costs of health insurance. If more people get and stay healthy and shop wisely for healthcare services, it may mean lower health insurance premiums for everyone.

**Increase your contribution with each raise**
Your HSA is one of the best ways to save over the long term. Because of the tax advantages,* your HSA savings can compound significantly over time. Consider increasing your contribution each time your salary is increased. Healthcare costs may be one of your largest expenses during retirement. Money you save today in your HSA can help pay for those future healthcare expenses.

*State taxes may vary. Consult your tax advisor. HSA withdrawals made for non-qualified expenses are subject to ordinary income tax and may incur an additional 20% IRS penalty.

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**How many steps do you need per day?**

<table>
<thead>
<tr>
<th>Healthy steps each day</th>
<th>3,000 Steps</th>
<th>10,000 Steps</th>
<th>15,000 Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve long-term health; reduce risk of disease</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successful, sustained weight loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Build aerobic fitness</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: PBS, America’s Walking. Chart compiled by Finity Communications.
HDHP/HSA programs encourage healthy lifestyle choices
HDHP/HSA programs provide a promising new approach to creating a more sustainable healthcare system. They have the potential to lower long-term health insurance costs by empowering individuals to practice increased health consumerism through comparison-shopping for healthcare needs and adopting healthy lifestyle choices.

Start with some simple price comparisons
Being a more conscious health consumer can be as simple as comparing prices. For example, compare the price of generic vs. name-brand drugs. Buying generic drugs may save you hundreds of dollars each year. With an HSA, those are dollars that stay in your account.

Adopt a healthy lifestyle
One of the best ways to save money on your healthcare expenses is simple: get and stay healthy! An HSA can be thought of as part of your total health and financial wellness plan. By adopting more health conscious choices, you can potentially reduce your total healthcare expenses. You save more money and your account balance can continue to grow.
Who can make contributions to my HSA?
Once the eligibility requirements are met, you, your employer, family members, or any other person can make contributions to your HSA. However, the combined total contributions from all of these sources cannot exceed the annual contribution limits outlined by the IRS.

What if my total contributions exceed the contribution limit?
It is your responsibility to withdraw excess contributions and any interest earned. If the total of the combined contributions made by yourself, your employer, or others exceeds the contribution limit for the year, you may be subject to an excess contribution tax if the excess amount is not removed prior to your tax filing due date.

Do the same federal tax rules apply to my state tax return?
See your tax advisor or Benefits Administrator to see how state tax rules apply to your HSA contributions and distributions. Rules may vary by state.

Are rollover or transfer contributions permitted?
Yes, HSA-to-HSA rollovers are permitted. You may also be able to make a one-time transfer directly from an Individual Retirement Account (IRA) into your HSA. Call M&T Bank at 1-877-MTB-HSA1 (1-877-682-4721) for details on how to transfer. We recommend that you consult your tax advisor to determine how state rules apply to rollover deposits.

What are the beneficiary rules?
If your spouse is designated as the beneficiary of the account, the HSA transfers to your spouse in the event of your death. The surviving spouse may be subject to income tax if the funds in the HSA are not used for qualified medical expenses. Distributions to a non-spouse beneficiary are treated as ordinary taxable income to the recipient upon distribution.
HSA Questions and Answers

How do I keep track of withdrawals from my HSA?
As the account holder of the HSA, you are responsible for maintaining receipts and accurate financial records for tax purposes. Your monthly HSA statement, HSA transaction information and all of your paid medical receipts should be retained as proof of payment for the IRS. Once you have signed up for M&T Bank online access, you will also be able to view your HSA transactions online.

Does an HDHP/HSA require me to pay all of my own medical expenses?
With an HDHP/HSA program, you pay for most healthcare expenses that you incur before the deductible in your HDHP is satisfied each year. Once you satisfy the deductible, your HDHP benefits begin to apply to covered expenses. Coinsurance may still need to be maintained above the level of the deductible.

What can I do to increase the value of my HSA?
With an HDHP/HSA program, any money you do not spend remains in your HSA and rolls over each year. Staying healthy and shopping for high-value healthcare services can help you keep more money in your account year after year.

What happens to my HSA if I leave my job?
The HSA portion of your HDHP/HSA program is portable. You can keep your existing M&T Bank HSA account even if you leave your company. Your HSA funds are also 100% immediately vested.

How do I get more information about my HSA?
You can visit http://hsa.mtb.com/employee or call one of our Customer Support Specialists at 1-877-MTB-HSA1 (1-877-682-4721). Your Benefits Administrator is also an excellent source of information about your HSA.
M&T Bank HSA online access allows you to check your account balances, view transactions, transfer funds, manage your investments, view a consolidated HSA statement, and more. Log in today to get started.

To access your account online, follow these steps:

1. Go to www.mywealthcareonline.com/mtia
2. Enter your Employer ID found in your welcome email.
3. Follow the instructions to set up your online account access.

Enjoy the ability and freedom to check your account transactions and view monthly statements anytime, anywhere.

If you have any questions regarding your HSA, please call one of our Customer Support Specialists at 1-877-MTB-HSA1 (1-877-682-4721) Monday through Friday from 6:00 A.M. to 9:00 P.M., or Saturday and Sunday from 6:00 A.M. to 5:00 P.M. Eastern Time. Automated account information is available 24 hours a day, seven days a week.
4 steps to making the most of your HSA!

**Step 1**
Maximize your savings by contributing up to the allowable HSA limit.

**Step 2**
Learn about and practice health consumerism.

**Step 3**
Adopt and maintain a healthy lifestyle!

**Step 4**
Visit [http://hsa.mtb.com/employee](http://hsa.mtb.com/employee) or contact M&T Bank at 1-877-MTB-HSA1 (1-877-682-4721) to learn more about making the most of your HSA!

Thank you for choosing us for your HSA.

You will be responsible for retaining your monthly statements with your HSA records and all receipts for qualified medical expenses. Statements are generated at the end of each calendar month. Consult your tax advisor to determine how HSAs are treated for state tax purposes for the state in which you file your taxes.