

# Truth-In-Savings Disclosure

Health Savings Account



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Truth-In-Savings Disclosure for Health Savings Account

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## HEALTH SAVINGS ACCOUNT (HSA)

**Rate Information** – The tiered interest rates and annual percentage yields may change every month as determined by the Credit Union’s management.

	<u>Interest Rate</u>	<u>Annual Percentage Yield</u>
Tier 1...\$0 - \$2,499.99	N/A	N/A
Tier 2...\$2,500.00 – \$4,999.99	0.10%	0.10%
Tier 3...\$5,000.00 – \$9,999.99	0.20%	0.20%
Tier 4...\$10,000.00 and above	0.30%	0.30%

**Balance Computation Method** - Interest is calculated by using the average daily balance method, which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the monthly statement cycle.

**Compounding and Crediting** – Interest will be compounded and credited to the account monthly.

**Accrual of Interest on Noncash Deposits** – Interest will begin to accrue on the business day you deposit noncash items (for example, checks) to the account.

**Effect of Closing an Account** – If you close the account before interest is paid, you will not receive the accrued interest.

**Transaction Limitations** – HSAs are subject to limitations and/or penalties imposed by the Internal Revenue Service (IRS). It is your responsibility to understand which expenses are HSA-qualified medical expenses. The account and the associated HSA debit card(s) will not differentiate between HSA-qualified and non-HSA-qualified medical expenses. A list of HSA-qualified medical expenses can be found in IRS publications 502 and 969, as amended.

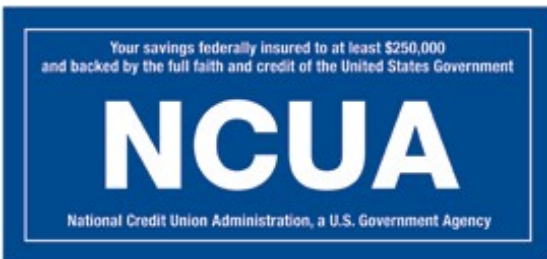
### Contributions and Distributions.

- Deposits made to the account will be considered as current year contributions unless made in person and a contribution direction form has been completed and signed by you giving the credit union specific directions to the contrary.
- All contributions and distributions are your responsibility and must be within IRS regulatory limits. Differences may exist between your High Deductible Health Plan year and the regulatory HSA plan year and should be taken into consideration when determining contributions/distributions made to/from the account.
- It is important to keep track of how much money you have in your HSA account. Funds must be on deposit before paying for a qualified medical expense.
- You may not withdraw funds (for example, complete a debit card transaction) from you HSA in an amount greater than your available credit.
- EECU is not permitted to extend credit on your HSA in order to pay items if your HSA is overdrawn. The IRS considers this a prohibited transaction and it may result in disqualification of your HSA, resulting in applicable taxes, and penalties.
- You should review the HSA Agreement and consult your tax advisor for additional information.

**Bylaw Requirements** – You must maintain a balance of \$.01 in any one deposit account as a condition of membership in the credit union.

**Fee Schedules** – Please refer to the credit union’s separate **HSA Fee Schedule** and **Personal Account Fee Schedule** for additional information about applicable fees.

**National Credit Union Administration, a U.S. Government Agency** – Member accounts are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government.



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