



STERLING HSA™

## HOW TO SET UP AN ACCOUNT

### ***THE 3 RULES FOR SETTING UP AN HSA:***

1. You must enroll in a high deductible HSA compatible health plan
2. You cannot be enrolled in Medicare A, B or D
3. You cannot be claimed as a dependent on another person's tax return

### ***HOW TO SET UP THE HSA:***

Choose a fee schedule: Standard \$8.75( all inclusive) or Value \$2.50 (a la carte)

1. Calculate the maximum contribution amount per IRS regulations
2. Note: If your HSA compatible health plan starts on any date other than January 1st , you are required to stay on the HSA compatible health coverage for one full year. If not, a 10% penalty and taxes will apply to any excess contribution.
3. If employer is contributing or allowing employees to contribute pretax via payroll deduction...
  - a. Employer must complete employer application and list bill.
  - b. Employer specifies how much will be contributed to each employee's account (HSA and/or fees).
4. Each account holder must then...
  - a. Complete individual application form.
  - b. Complete beneficiary designation form.
5. Note: Total contributions from employer and employee may not exceed the IRS annual limits.
6. Submit original completed forms with a check for the contribution amount and fees (minimum amount required to set up an account is \$100 + one time \$35 set-up + minimum required two months maintenance fees (2 x \$8.75=\$17.50 or 2 x \$2.50=\$5.00) to Sterling HSA.
7. A "wet signature" is required on the enrollment forms (original required). Please mail forms to:

Sterling HSA  
475 14th St. Suite #120  
Oakland, CA 94612

8. While this is a tax-favored account for federal tax purposes, state taxes may still apply. HSA Contributions can be made pre-tax via payroll deduction or deducted at the end of the year on an individual's 1040 tax return (above the line).

Effective 1/1/07