

QUESTIONS AND ANSWERS

Managing your HSA is easy with Wells Fargo

Why has Kaiser Permanente selected Wells Fargo as a preferred HSA administrator?

We chose to work with Wells Fargo for HSA services because it has extensive financial experience and convenient access. These are things we think our members value. Wells Fargo's online services, dedicated customer service, and debit card access can help make it easier for you to manage your health savings account.

Who is eligible to set up a health savings account?

To be eligible for an HSA, you must be enrolled in an HSA-qualified deductible health plan and meet other HSA eligibility rules. For more information, see IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*, at www.irs.gov/publications.

What can I use my HSA funds for?

You can use the funds in your HSA to pay for deductibles, coinsurance, copayments, and other qualified medical expenses¹ under your health plan, both for yourself and your covered dependents. Examples include

- eyeglasses and LASIK vision correction
- hospital visits
- prescription drugs
- primary and specialty care visits
- non-cosmetic dental care
- X-rays and lab tests

You can even use your HSA funds to pay for qualified medical expenses not covered by your health plan. However, those expenses will not

count toward your health plan deductible or your out-of-pocket maximum.

For more information about your benefits, please refer to your *Evidence of Coverage*.

What if I use my HSA debit card to pay for expenses that aren't considered qualified medical expenses?

Neither the Internal Revenue Service nor the U.S. Treasury puts any requirements on the HSA provider to keep track of an account holder's expenses. That means Wells Fargo does not restrict HSA card usage to only qualified medical expenses.

As an HSA holder, you'll be responsible for determining whether an expense is a qualified medical expense under the tax laws. If you use your card for nonqualified expenses, taxes will apply. A 20 percent penalty on the amount withdrawn will also apply, unless you're disabled or 65 or older.

How do I access the funds in my Wells Fargo HSA?

There are several ways to pay for your qualified medical expenses with your HSA funds:

- Use your Wells Fargo HSA Visa debit card. You'll receive the card after you open an HSA with Wells Fargo.
- Pay out of pocket using your own money (cash, check, or another credit or debit card), and file a reimbursement request with Wells Fargo at a later date.

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QUESTIONS AND ANSWERS (CONTINUED)

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How do I set up my HSA through Wells Fargo?

Depending on your situation, you can set up your HSA in one of two ways:

- If your employer offers our HSA-Qualified Deductible HMO Plan, you should go to your company's human resources department for assistance. A representative will be able to enroll you through Wells Fargo's Commercial Electronic Office.
- If you're enrolled in an HSA-Qualified Individuals and Families Plan or if your employer doesn't sponsor an HSA with Wells Fargo, you can enroll individually online. Go to wellsfargo.com/hsa to complete the Individual Enrollment form. Be sure to specify "Kaiser Permanente Health Plan" on the Wells Fargo individual enrollment form to get our preferred discount rate.

For more information about enrolling and setting up your HSA and to view an online demonstration, go to wellsfargo.com/hsa or call Wells Fargo at **1-866-884-7374**, weekdays from 5 a.m. to 6 p.m. Pacific time.

Are there any administrative fees associated with my Wells Fargo HSA?

Wells Fargo will charge a member administrative fee of \$3.25 per month, which will be deducted automatically from your HSA. This fee will be waived for new employer groups and account holders effective January 1, 2011, if the combined deposit and investment balance in the HSA on the last day of the month is greater than \$5,000.²

What will I receive after I'm enrolled?

After your account is set up, you'll receive a confirmation letter in the mail within 7 to 10 business days. This letter will include your PIN for accessing the HSA website and instructions on making your investment-fund choices. Your HSA Visa debit card and instructions will be sent to you in a separate mailing.

What are the investment options for the Wells Fargo HSA funds?

An overview of each of the available funds is included in your enrollment package. You can also call Wells Fargo at **1-866-884-7374**, weekdays from 5 a.m. to 6 p.m. Pacific time.

How can I track the balance in my Wells Fargo HSA or access other account information?

You can access account information 24 hours a day, seven days a week, at wellsfargo.com/hsa. You'll be able to view your account balance and information, change investment options, process transactions, download forms, and see a list of qualified medical expenses. You can also call Wells Fargo at **1-866-884-7374** to speak to a customer service representative, weekdays from 5 a.m. to 6 p.m. Pacific time. In addition, you'll receive your individual HSA reports in the mail on a quarterly basis.

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Note: The tax references in this document relate to federal income tax only. Federal and state tax laws and regulations are subject to change. Consult with a qualified professional for tax, investment, or legal advice.

Your HSA is provided and administered by Wells Fargo Bank, N.A., which acts as trustee of the Wells Fargo Health Savings Accounts. Kaiser Permanente does not provide or administer financial products, including HSAs, and does not offer financial, tax, or investment advice. Members are responsible for their own investment decisions. Members can use their HSA Visa debit card anywhere Visa is accepted, not limited to Kaiser Permanente facilities. For information about a Wells Fargo HSA, please contact Wells Fargo at **1-866-884-7374**, weekdays from 5 a.m. to 6 p.m. Pacific time.

INVESTMENT PRODUCTS • NOT FDIC INSURED³ • NO BANK GUARANTEE • MAY LOSE VALUE

Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for Wells Fargo Advantage Funds (the Funds). Other affiliates of Wells Fargo & Company provide sub-advisory and other services for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member FINRA/SIPC, an affiliate of Wells Fargo & Company.

An investment in a Wells Fargo money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Wells Fargo money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

*For more information about Wells Fargo Advantage Funds, obtain a current prospectus by calling **1-800-222-8222** or visiting **wellsfargo.com/advantagefunds**. Consider the investment objectives, risks, charges, and expenses of the investment carefully before investing. This and other information about Wells Fargo Advantage Funds can be found in a current prospectus. Please read the prospectus carefully before investing.*

¹To view the list of qualified medical expenses defined under Internal Revenue Code Section 213(d), download IRS Publication 502, *Medical and Dental Expenses*, at **www.irs.gov/publications**. Effective January 2011, over-the-counter medicine, except insulin, no longer qualifies for payments from HSA funds, unless accompanied by a doctor's prescription.

²If an employee of a group that was established with Wells Fargo prior to January 1, 2011, elects to open an HSA in 2011, their fee will be waived if the combined deposit and investment balance in the HSA on the last day of the month is greater than \$2,500.

³Investment in any mutual fund is not insured or guaranteed by the U.S. government, the FDIC, the Federal Reserve System, or any other federal agency. Shares of a mutual fund are not obligations, deposits, or guaranteed by Wells Fargo Bank or its affiliates and are subject to investment risk, including possible loss of principal.

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