

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 ¹	2022	2023
Self Only	\$3,650	\$3,850
Family	\$7,300	\$7,750
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!

¹ 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 502² 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



² 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 40³.



#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.

³ 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% annually³.

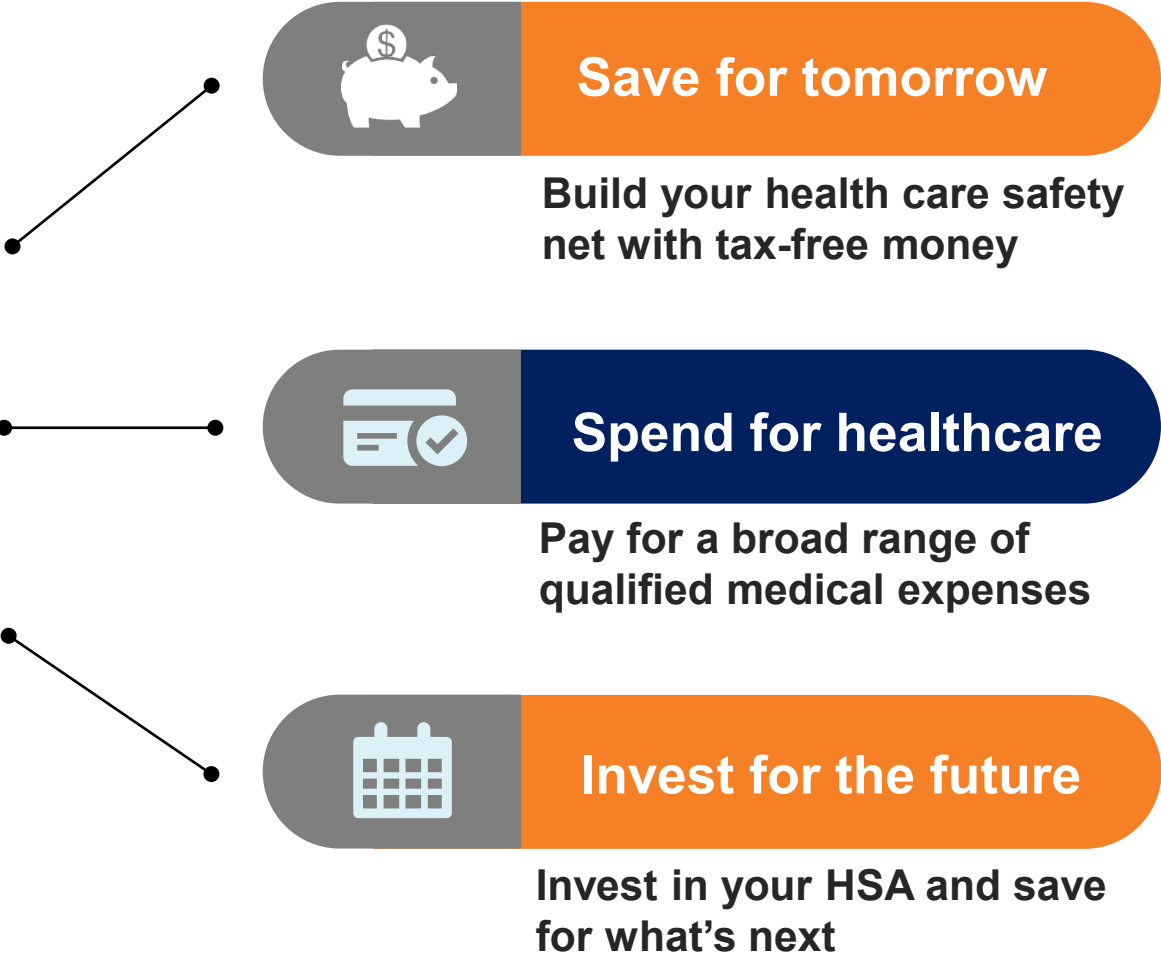
There is no time limit in which you need to reimburse yourself for any qualified medical expenses you paid out-of-pocket.



³ Source: AHIP 2016 HSA/HDHP Census



Health
SAVINGS
Account



Tax Benefits of HSAs: Retirement Planning

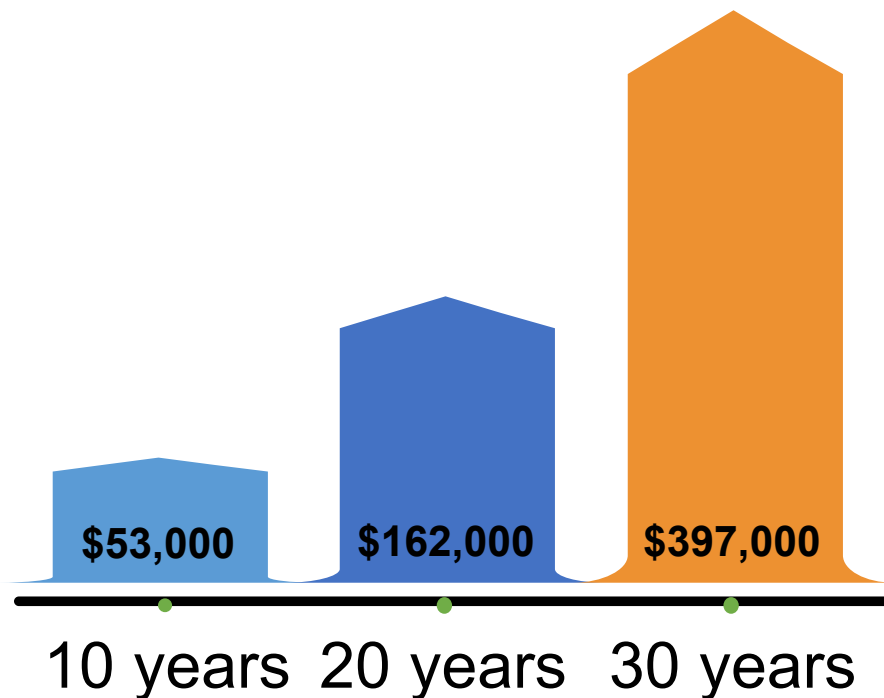


		Money In	Gains	Money Out
Retirement	Traditional IRA	Not Taxed	Not Taxed	Taxed
	Roth IRA / 401(k)	Taxed	Not Taxed	Not Taxed
	401(k)	Not Taxed	Not Taxed	Taxed
Health / Retirement	Health Savings Account (HSA)	Not Taxed**	Not Taxed	Not Taxed***

**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.



Steve

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

SAVERS

Characteristics:

- Financially savvy
- Focused on financial future

Activity and Tools:

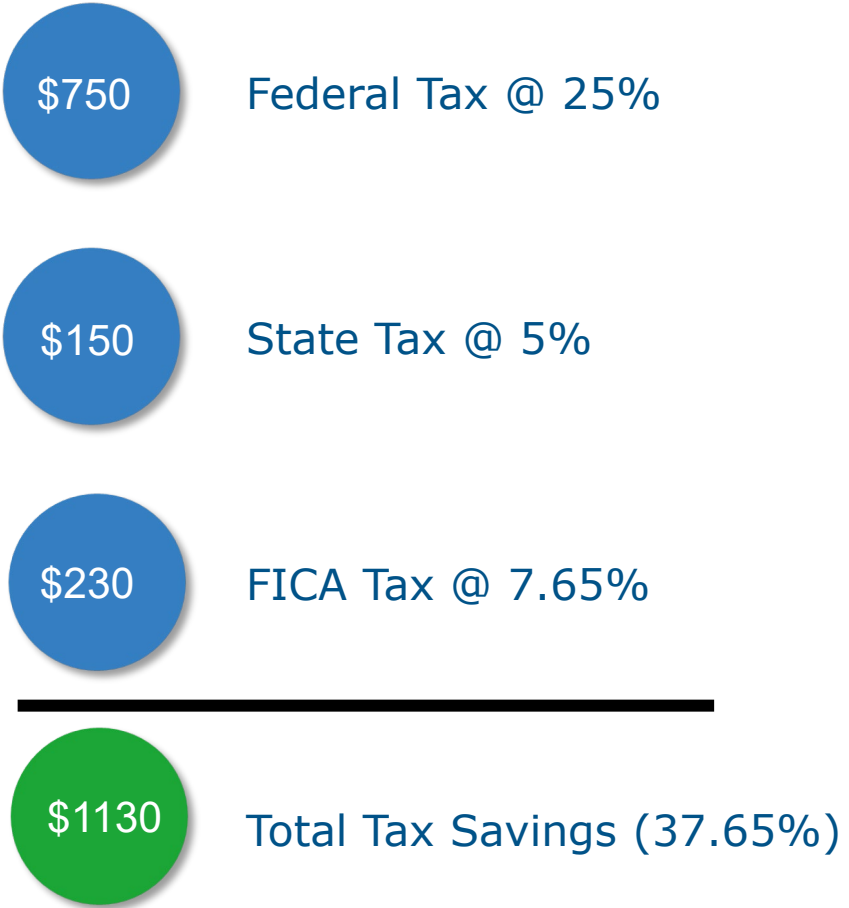
- Interest bearing cash account
- HSA Investment Account
- Enables Investment Sweep
- On-line Account Summary with Investment Details
- eContribute from bank account
- Expense Tracker for recording out-of-pocket expenses



Nicole

Tax Savings Example

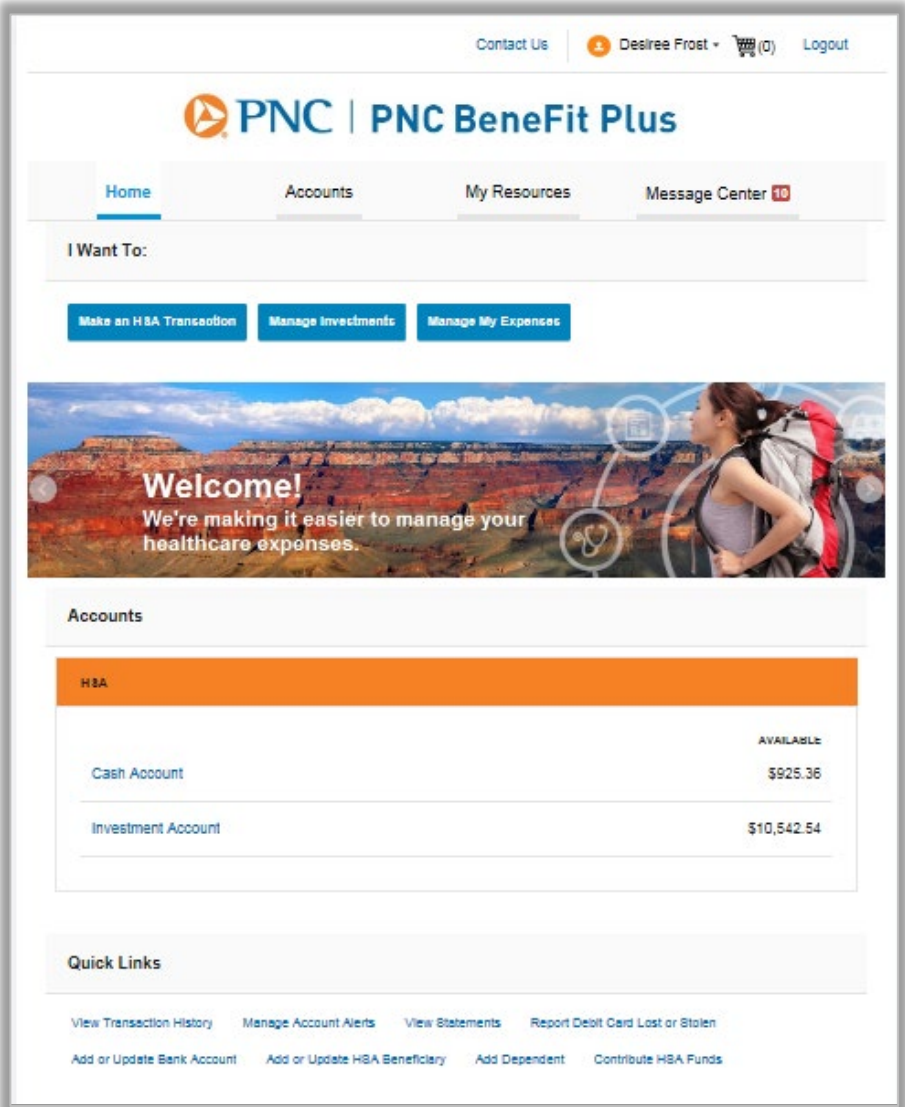
Nicole is single and contributes **\$3,000** to her HSA this year. She saves:



For Illustrative Purposes Only

Industry leading design:

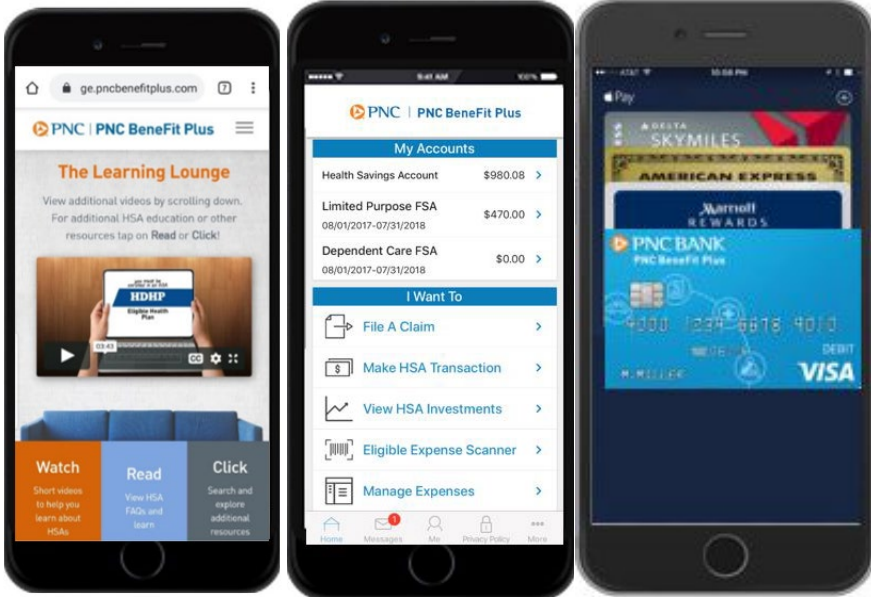
- Customized content and messaging
- One click access for common actions
 - I Want To
 - Quick Links
- Profile management
- Dashboard view of transaction activity
- Initiate and execute account transactions:
 - Bill Pay
 - Direct Deposit reimbursement
- Manage HSA Investments
- Establish and track HSA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

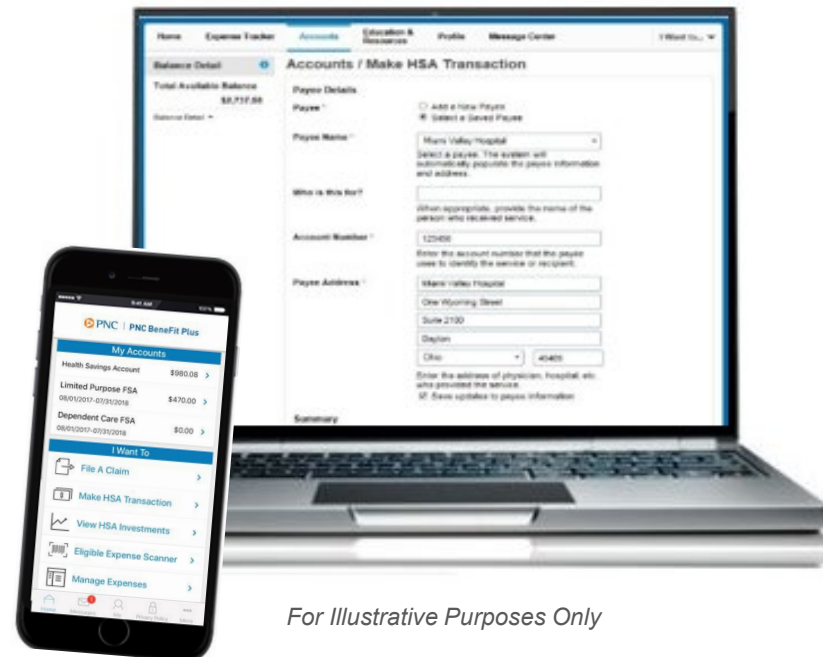


Other Distribution Options

- **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)

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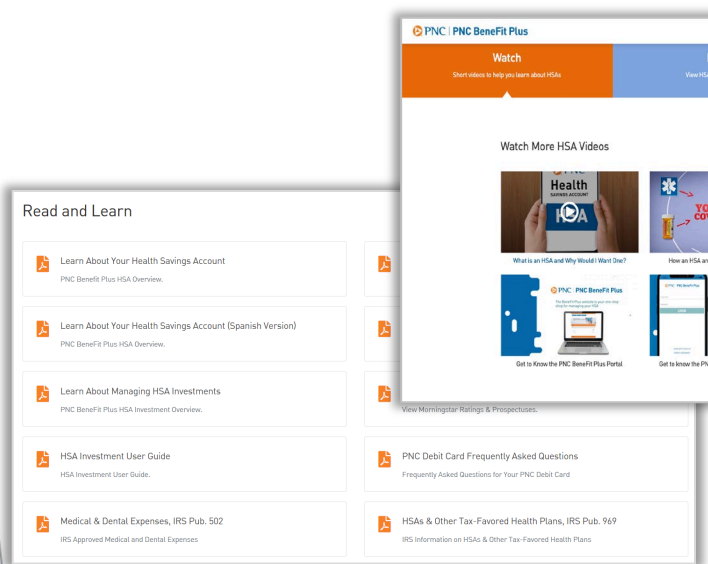
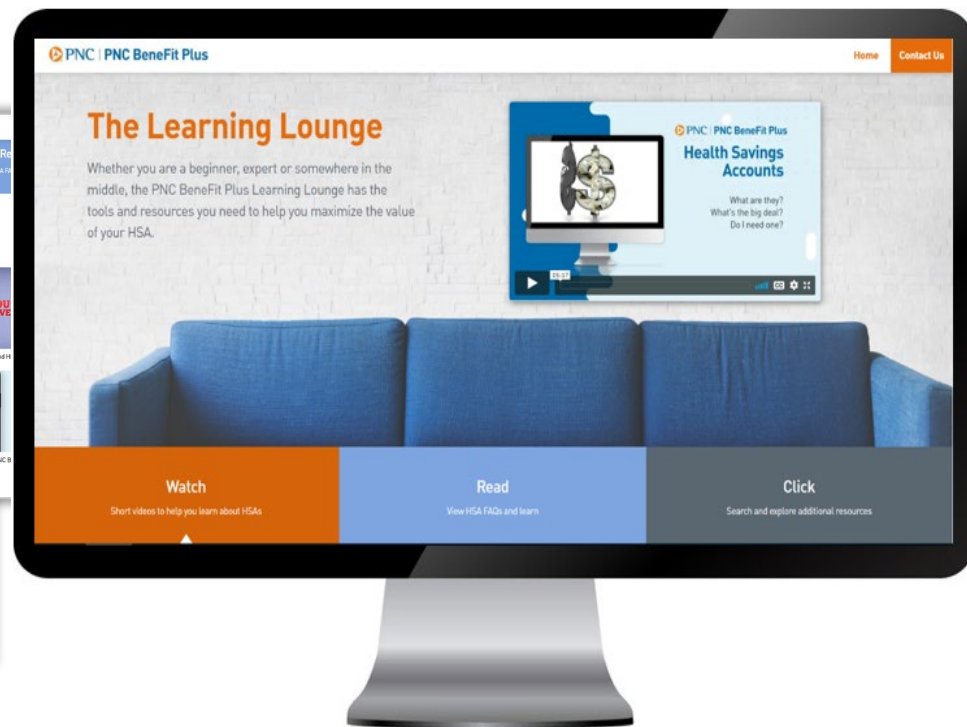
Managing Your HSA: BeneFit Plus Learning Lounge

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, un intimidating 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.

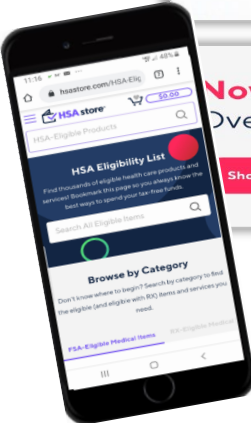
- **Inside Rx:** Search for discounts on thousands of brand and generic medications at over 60k pharmacies.
- **HSA Store:** One-stop online shop stocked exclusively with HSA-eligible products and services.
- **Health Shopper:** Search for a wide array of FSA / HSA eligible items and view resources. 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: People Lists
Type your drug name (ex. Lisinpril) Search

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

HEALTH SHOPPER
Simple. Eligible. Painless.
Click Here to Learn More

Now Eligible!
Over-the-Counter Meds
Shop FSA Store



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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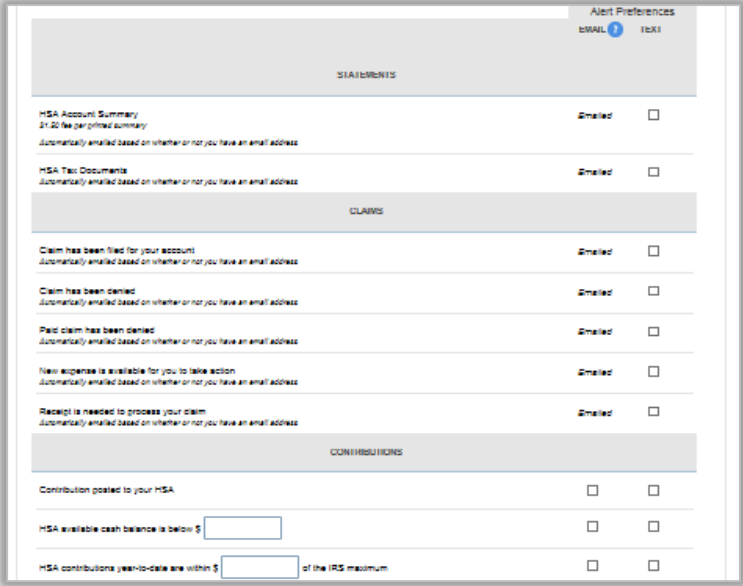
Expense Tracker

- 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



For Illustrative Purposes Only

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

Account Summary for Desiree Frost:

- Profile:** DESIREE FROST, 126 Main Street, Pittsburgh, PA 15201, United States. Home Phone: (560) 560-8900. Email: noemail@email.com. Gender: Unspecified. Marital Status: Unspecified. Employer ID: 594011004. Participant Account ID: 594011004.
- Dependents:** DAVID FROST (Birth Date: 8/27/1969, Student: No) and SUZY FROST (Birth Date: 8/26/1990, Student: Yes).
- Beneficiaries:** DAVID FROST (Primary, 100% share).
- Authorized Contacts:** No Authorized Contacts.

Banking / Cards

Bank Accounts	Debit Cards
MY BANK My Bank xxxx2233 Checking View / Update	DESIREE FROST Card Number: x0004 † Status: Active Expires: 11/30/2019 Effective: 11/1/2016 Report Lost/Stolen Order Replacement
FROST CHECKING PNC BANK, NA xxxx3456 Checking View / Update Remove	ISSUE CARDS
	David Frost Issue Card
	Suzy Frost Issue Card

Login Information

Password	Change Password
Username	Change Username
Security Questions	Change Security Questions

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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
- **Website:** <https://participant.pncbenefitplus.com>



Thank You!

 **PNC | PNC BeneFit Plus**

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