

2024 Health Savings Account (HSA)

Highlights

What is a Health Savings Account (HSA)?

A Health Savings Account (HSA) is an individually owned, tax-advantaged account that may be used to pay for qualified healthcare expenses (medical, dental and vision) now or in the future, including in retirement. Savings in an HSA can also be used to pay for long-term care expenses.

Funds in an HSA roll over from year to year, and it's portable, so you keep the account and the money in it, wherever you go.

This tax-advantaged account is a key part of a Consumer Directed Health Plan (CDHP) because it can help pay for the higher deductible.

Am I eligible to contribute to an HSA?

Under IRS rules, you are not eligible to contribute or receive UBS contributions to a Health Savings Account if:

- You are enrolled in a health plan that is not a qualifying High Deductible Health Plan.
- You are covered under a general-purpose Healthcare Flexible Spending Account.
- You are claimed as a dependent on another person's tax form.
- You are enrolled in government-sponsored health benefits such as Medicare¹ or TRICARE.

Please note: As a Health Savings Account holder, you are responsible for ensuring your compliance with all IRS rules governing the account.

Your contributions

Contributions to your HSA are tax deductible. You may fund your HSA through automatic pre-tax payroll deductions or by depositing a check or making an electronic transfer directly into your HSA account with UMB and taking a deduction on your tax return for the year.

The maximum allowable HSA contributions for 2024 are:

- \$4,150 for employee-only coverage.
- \$8,300 for family coverage.
- If you are age 55 or older by December 31, 2024, then you may contribute \$1,000 more, or \$5,150 for employee-only coverage and \$9,300 for family coverage.

These maximum contributions include both your contributions plus any contributions from UBS into the HSA. You are responsible for monitoring your HSA and ensuring that your annual maximum contribution level is not exceeded.

Note: the maximum limits may be lower in certain circumstances depending on whether participation in the plan is for the entire year.

UBS contributions²

All employees enrolled in a UBS-offered CDHP (Core or Core Plus), regardless of Benefits Base Salary (BBS)³ may earn UBS contributions to their HSA by completing various wellness activities⁴ for 2024.

UBS will provide an automatic Annual Core contribution for employees with a BBS³ of up to \$300,000. This contribution to your HSA is tied to your BBS level.

For details, see the table on page 3 of this document (2024 UBS contributions to your Health Savings Account by type and employee BBS³ level).

Availability: Automatic contributions will be available in your account in January 2024.

Note: To receive UBS contributions, employees must have a UMB Bank Health Savings Account opened through Your Spending Account™ (YSA).

Employee only

Medical coverage

Benefits Base Salary ³	2024 Annual	2024 Annual Wellness (UBS contributes if you complete wellness activities)	2024 Total Contribution (Total UBS will contribute, if you complete wellness activities)
<\$100k	\$300	\$400	\$700
\$100k - \$300k	\$200	\$400	\$600
>\$300k	\$0	\$400	\$400

Family

Medical coverage

Benefits Base Salary ³	2024 Annual	2024 Annual Wellness (UBS contributes if you & your spouse / partner ⁵ complete wellness activities)	2024 Total Contribution (Total UBS will contribute, if you & your spouse/ partner ⁵ both complete wellness activities)
<\$100k	\$600	\$800 ⁶	\$1,400
\$100k - \$300k	\$400	\$800 ⁶	\$1,200
>\$300k	\$0	\$800 ⁶	\$800

For footnotes to this table, see last page of this document.

UBS HSA contribution types explained

Annual These UBS contributions are tied to pay levels – BBS up to \$300k – and are anticipated to be annual contributions from the firm to your HSA (provided your BBS is up to \$300k).

Wellness All employees and their covered spouses/partners⁵ are eligible to earn these UBS contributions to their HSA provided they complete wellness activities as laid out on www.ubs.com/usbenefits. These activities will be available in January 2024.

How your HSA works to reimburse you or pay for medical expenses

Your HSA works like an ordinary bank account (albeit a tax-advantaged one).

- You can manage it online, transfer funds into your personal account to reimburse yourself, or pay providers directly from it. You can also use your YSA debit card to pay for expenses as you incur them (provided the funds are already in the account).
- HSA funds are available for disbursement only up to the current account balance. So, if there are sufficient funds in your HSA when you incur an expense, you can access those funds immediately. If not, you can choose to reimburse yourself later when your account has a higher balance.
- This is different from a regular Healthcare Flexible Spending Account (FSA), which gives you access to the full annual balance you've elected to contribute before it's deposited.

HSAs and FSAs

- Under IRS rules, you cannot have a regular, current year (general purpose) Healthcare Flexible Spending Account (FSA) and a Health Savings Account.
- You are permitted, however, to have a Limited Purpose Flexible Spending Account. This Limited Purpose FSA can be used only for eligible dental and vision expenses. Once you have met your annual medical deductible, it can also be used to pay for your out-of-pocket qualified medical expenses. The HSA can be used for eligible medical, dental and vision expenses. Please consider carefully if you require a limited-purpose FSA.

When and how to use your HSA

You may use the HSA to pay for eligible healthcare expenses for yourself and your spouse/partner⁵ and tax dependent(s),⁶ including:

- Eligible out-of-pocket health costs, such as your annual medical deductible including prescription drugs, coinsurance, dental and vision expenses, now or in the future.

Note: Funds in an HSA are available only when they've been deposited, not in advance.

For a summary of eligible HSA expenses, see the UBS microsite at

www.ubs.com/usbenefits. Under IRS rules, you are responsible for keeping receipts/documentation for healthcare expense reimbursements made from your HSA. Under IRS rules, if you use HSA funds for purposes other than eligible healthcare expenses, you will pay a 20% penalty in addition to the income taxes you owe on those funds. If you are 65 or older, you do not pay the 20% penalty – just the income taxes you owe on those funds.

How the HSA grows

- The money in your HSA rolls over from year to year and the balance – along with any investment income you earn – is yours to keep, even if you stop making contributions.
- You pay no federal taxes and (in most cases) no state or local taxes on HSA contributions. You pay no taxes when you use the money in your HSA to pay for qualified healthcare expenses, and you pay no taxes on HSA investment earnings (in most cases).
- HSAs are portable, meaning even if your employment ends, you always have 100% ownership and rights to your HSA balance.

For HSAs opened through YSA:

- All contributions are initially credited to UMB Bank’s HSA Base Account, an interest-bearing FDIC-insured deposit account.
- Once the HSA Base Account reaches \$1,000, you may opt to invest any funds over \$1,000 into mutual funds by opening a Self-Directed Brokerage Account, which is not FDIC-insured, with UMB. A \$3.00 monthly account fee will be charged to your HSA.

The investment decisions you make can impact the value of your HSA. You should carefully weigh your circumstances, investment objectives and each investment option’s risk and return characteristics. The value in your HSA may increase or decrease based on the performance of the funds you select.

I’m setting up an HSA for the first time for 2024

- During the Open Enrollment period, you’ll need to check a “terms and conditions” box to set up your HSA for 2024. We recommend you do this, even if you do not plan to contribute in 2024. You will not be able to receive any contributions from UBS until your account is set up.
- YSA will send you a Welcome Kit (in mid-December) that will include more information about your account, including how to use it. You’ll receive a debit card by early January. (**Important note:** If you participated in the Healthcare Flexible Spending Account in 2023, your debit card for that account will become your HSA debit card for 2024—you will not receive a new card unless your existing card is set to expire.)

I already have an HSA through UBS and am keeping my account for 2024

- During the Open Enrollment period, review and update your HSA payroll contributions for 2024 (your current HSA contribution amount will not roll over to 2024). Remember you may change the contribution rate to the HSA at any time. **If you don’t take action, your HSA contribution for 2024 will be set at \$0.**
 - Make sure to keep your YSA debit card from last year, as you will not be issued a new debit card for 2024 unless your existing card is set to expire.
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HSA's can be combined with a Limited Purpose Flexible Spending Account (FSA)

- Under IRS rules, you cannot have a regular, current year (general purpose) Healthcare Flexible Spending Account and a Health Savings Account.
- You are permitted, however, to have a Limited Purpose Flexible Spending Account. This Limited Purpose FSA can be used only for dental and vision expenses. Once you have met your annual medical deductible, it can also be used to pay for your out-of-pocket qualified medical expenses.
- Please be sure to read the rules regarding the Limited Purpose FSA.

An HSA is your opportunity and your responsibility

- Having a portable, tax-advantaged account for eligible healthcare expenses offers an opportunity to save with the potential for contributions from UBS.
- There are many IRS rules governing HSAs, and we encourage you to familiarize yourself with them.
- It will be your responsibility to ensure your use of a Health Savings Account is compliant with IRS rules. So, it is to your benefit to learn all about the account by doing the following:
 - Read FAQs available on the UBS microsite at <http://www.ubs.com/usbenefits>.
 - Consult your personal tax advisor, accountant or attorney.
 - Visit <https://www.irs.gov/publications/p969>

Note on Medicare, TRICARE, etc.

- Per IRS regulations, employees enrolled in Medicare or any other government-sponsored medical benefits program cannot contribute to the HSA.
- Contact your Health Pro with questions by calling +1-888-251-2500, Monday – Friday, 9:00 a.m. to 7:00 p.m., ET or via [goto/usbenefits](#) > Connect with your Health Pro.

Notes to UBS Contributions table on page 3. UBS will not see your or your family's individual information, health status or the details of your participation in any wellness programs. With respect to wellness programs, UBS will only be notified by ActiveHealth of completion of a given activity. UBS is not requesting or receiving any genetic information as part of the wellness incentive. Further, when it comes to healthcare, your privacy is protected by federal law. Your personal information and results are yours and yours alone, although you may wish to share them with your doctor. Our plans will report overall claims information and wellness participation results to UBS (no individual data) so we can track the health risks that challenge our population as a whole, as well as the results of our wellness programs. This gives us an opportunity to develop and modify our programs and resources so they are most beneficial to our employees.

¹ HSA owners over 65 years of age who are enrolled in Medicare may use previously saved HSA funds for qualified medical expenses but, once enrolled in Medicare, they cannot continue to contribute to their HSA.

² UBS contributions to your HSA account are contingent upon you being employed by UBS on the date the contributions are made to the account. UBS reserves the right to change or terminate its benefit plans at any time, including, without limitation, changing the amount of UBS contributions to HSAs. The Wellness contributions listed are the maximum that can be earned for a given plan year.

³ Benefits Base Salary (BBS) is defined in the Medical Plans section in *Physical Well-being* on www.ubs.com/usbenefits.

⁴ Visit www.ubs.com/usbenefits for a list of wellness activities.

⁵ Spouse/civil union partner/domestic partner is referenced as "spouse/partner" for brevity.

⁶ A child can be a tax dependent only up to age 19, up to age 24 if a student, or if permanently and totally disabled regardless of age.

This document is for general reference and highlights certain plans and programs of UBS for eligible employees in the United States (not including Hawaii and Puerto Rico). More detailed descriptions of these plans and programs can be found in the legal plan documents governing these benefits. While we have made every effort to make this document accurate, if there is any conflict between the information contained herein and the applicable plan documents, the plan documents will govern. The information contained herein does not imply that participation in the plans and programs is a guarantee of continued employment with UBS. It also does not imply or guarantee that the plans and programs will exist or remain unchanged in the future. Nothing herein creates any vested or contractual rights. UBS continues to reserve the right to change or terminate its plans and programs at any time in the future for any reason. © UBS All rights reserved.