



First Horizon Msaver

Who is First Horizon MSaver?

First Horizon Msaver is a subsidiary of First Tennessee Bank National Association. The corporation initially established its presence in 1997 as the premier administrator of Medical Savings Accounts (MSAs) now Health Savings Accounts (HSAs). Today, the company opens and services Health Savings Accounts for consumers nationwide. Our continued commitment to customer service and leading edge products has allowed First Horizon Msaver to become one of the nation's premier Health Savings Account experts.

Securing Your Healthcare Future with First HorizonSM is our nationwide trademark that represents our commitment to provide our customers with the best possible Health Savings Account financial product and services. Our pioneering spirit and dedicated customer support allows our company to experience record growth. Rest assured that not all Health Savings Account administrators are the same. You deserve a secure future.

Why First Horizon Msaver?

- Free Banking Online (rated the best online banking Web site by Speers & Associates)
- Free Bill Pay Online
- Low Monthly Administrative Fee
- No Set-up Fee
- Free Debit Card
- Competitive Interest Rates
- Free Monthly Statements
- Unlimited check writing and debit card privileges
- Automatic monthly deposits from your personal checking account are available
- Free Checks available upon request
- Three investment options

Customer Care can be reached at 866-889-8583 and operates from 7AM-5:30PM CST, Monday-Friday. Our First Link telephonic voice response system is also available to meet our customers' 24 hour needs. There is no additional charge for these services.

HSA Basics

What is a HSA?

A Health Savings Account (HSA) is a tax favored account which you and your employer can make contributions to pay for qualified medical expenses incurred by you, your spouse and any of your dependents. The HSA takes the form of a tax-exempt trust or custodial account.

Why open a HSA?

A HSA is a federally approved tax-favored program that allows funds to accumulate tax-free to pay for current and future qualified health care expenses. The HSA is portable; meaning the account always belongs to you providing an excellent savings tool that can be used to cover the rising costs of health care.

How do I utilize my HSA?

It's easy to use the funds in your HSA. HSA funds may be accessed by using checks drawn on your HSA or the HSA debit card. You may pay for qualified expenses directly by using one of these methods. If you have already paid for expenses out of your own pocket, you may reimburse yourself by writing a check out of your HSA. Make sure and keep your receipts.

Can I use my HSA to pay for medical expenses incurred before I establish my HSA?

No. You cannot use funds in your HSA to pay for expenses you incurred before your account was established. It is recommended you open your HSA as close as possible to the effective date of your HSA qualified health plan.

What happens to the funds in my HSA at the end of the year?

The funds in your HSA rollover and continue to grow from year to year. Each year, as long as you are eligible, you are able to continue making the full contribution to your account.



How do I transfer my Medical Savings Account (MSA) or HSA currently at another financial institution, to First Horizon Msaver?

The account holder should contact First Horizon Msaver to request a transfer. First Horizon Msaver will provide the account holder a form to authorize the transfer. The request will be handled directly between First Horizon Msaver and the transferring institution.

Contributing to your HSA

The First Horizon HSA is federally recognized allowing you to make pre-tax or tax deductible contributions to a special interest-bearing account so you can more effectively save money for medical expenses. Both electronic and paper deposits are available. Then, when an unexpected medical need arises, you have the means to pay for it, separate from your regular family budget.

How much can I contribute to my account?

According to the IRS guidelines, HSA holders may make contributions as follows:

Individual: The maximum contribution is \$2,850*

Family: The maximum contribution is \$5,650*

*Account holders who make a full HSA contributions must remain HSA eligible for one year after benefiting from this special rule; otherwise, they become subject to taxes and penalties.

Catch-Up contribution

Individuals age 55 or older and not enrolled in Medicare are eligible to contribute an additional "catch up" contribution. The amount that may be contributed for the 2007 tax year is \$800.

How do I make contributions to my HSA?

Contributions may be made to your HSA in a variety of methods.

- If you are making pretax contributions, the easiest method is through payroll deductions.
- If you would like to make post tax contributions to your account you may:
 - Mail contributions using deposit slips from your HSA checkbook to:
First Horizon Bank
P.O. Box 26106
Shawnee Mission, KS 66210
 - Automatically transfer monthly contributions: Funds are transferred on a specific day each month from your personal checking account.

Will First Horizon Msaver notify me if I've exceeded my allowable contribution amount?

No. It is solely your responsibility to keep track of the contributions deposited into your account. We will to assist you in calculating your maximum contribution.

Qualified Medical Expenses

How do I know what counts as a "QUALIFIED MEDICAL EXPENSE"?

Included is a partial list of qualified medical expenses. You may access a more comprehensive list on the IRS website, www.irs.gov, Publication 502. In order to be considered a qualified medical expense, the expense has to be primarily for the prevention or alleviation of a physical or mental defect or illness. This would include office visits, hospitalization, or prescription drugs.

The following is a partial list of items that are considered qualified medical expenses for Health Savings Account reimbursement. This list is not complete and should serve only as a reference. For complete information, please refer to Internal Revenue Service Publication 502 "Medical and Dental Expenses," or visit www.irs.gov.

Alcoholism treatment	Christian Science practitioners
Ambulance	Contact lenses
Artificial limb	Crutches
Artificial teeth	Dental treatment
Birth control pills (by prescription)	Dermatologist
Chiropractors	Drug addiction treatment (inpatient)



Drugs (prescription)	Post-natal treatments
Eyeglasses	Prenatal care
Guide dog	Prescription medicines
Gynecologist	Psychiatrist
Hearing aids	Psychologist
Hospital services	Specialists
Laboratory fees	Spinal tests
Life-care fees	Splints
Lodging (for outpatient treatment)	Sterilization
Nursing care	Surgeon
Obstetrician	Phone/TV (hearing impaired)
Operating room costs	Therapy
Ophthalmologist	Vaccines
Optician	Vasectomy
Organ Transplant	Vision
Pediatrician	Vitamins (prescribed)
Physician	Wheelchair
Podiatrist	X-rays

Who is responsible for tracking expenses paid from the HSA?

First Horizon MSAVER tracks the total dollar amount spent from the account and provides that information to both you and to the IRS. The form that you will receive reflecting this amount is called a 1099-SA and is sent prior to January 31st. You should maintain copies of your medical receipts to verify how you utilized those funds. You are responsible to the IRS for all types of withdrawals made from your HSA.

What happens if I accidentally use my HSA funds for a non-qualified expense?

If funds in the account are not used for qualified medical expenses, you will need to claim the amount as income on your tax return. That amount will be subject to a 10% penalty if you are under age 65. However, you can avoid taxes and potential penalties if the funds are repaid by April 15th of the year following the year in which you paid for the non-qualified expense(s).

Maintaining Your Account

How can I reimburse myself for expenses paid for outside of my HSA?

As long as you encountered those expenses after you opened your HSA, you may reimburse yourself by writing a check out of your HSA.

Can I access my HSA online?

Yes, you can establish online access by visiting the website listed in the enrollment package letter.

Will I receive a monthly HSA statement?

Yes. As an account holder you will receive monthly statements on your HSA similar to a regular checking account. These statements will show the average balance, closing balance, and any debits or credits to the account.

HSA FEES

Electronic Setup Fee	No Charge
Paper Enrollment Processing Fee	No Charge
Interest Checking Account with Investment Option	No Charge
Monthly Fee	\$2.50
Checks (ordered upon request in increments of 150)	No Charge
Check Transactions	No Charge
Account-holder Debit Card	No Charge
Additional Debit Cards	No Charge
Debit Card point of purchase	No Charge
ATM withdrawal at participating ATM	No Charge
Debit Card point of purchase using PIN	No Charge
On-line Banking	No Charge
On-line Bill Pay	No Charge
Close Account Fee	\$25.00
Monthly Electronic Statement	No Charge

ADDED BENEFITS

First Horizon Msaver is an industry leader in operations:

- First with real-time online enrollment
- Debit Card and check issuance within 24 hours to the consumer due to automation
- Dedicated HSA Customer Care Center
- On-line Employers' Portal for ACH funding
- On-line Individual monthly contribution capability
- Online Broker Portal for customer status, enrollment, transfer and rollover forms, including digital signature and parameterized URLs
- On-line webinar Broker Education and Training as well as Employer Education
- Consumer portals for on-line medical bill pay and banking
- Product Design Expertise

EMPLOYER SUPPORT: EMPLOYER FUNDING PORTAL

For the HSA Employer, First Horizon Msaver offers:

- ACH Transactions at no charge
- Web-based portal for automated and recurring employee and/or employer HSA funding
- Account management with tier-two support

What are the Benefits?

- Employers enter and change employee or employer contributions online
- Automatically send contributions each pay period
- Have contributions post to the account faster
- Track contributions and download reports