Interactive Medical Systems
Creating Healthier Benefits

Welcome to your Interactive Medical Systems Health Savings Account

Contents

Congratulations!

Thank you for opening a Interactive Medical Systems Health Savings Account (HSA) with WealthCare Saver* as the Custodian. We are here to help you and your family understand how to take full advantage of your HSA. Our goal is to provide you with an affordable, convenient and worry free approach to saving for current and future medical expenses. Your account has been opened, now let's get started!

The fundamentals

An HSA enables you to save, invest and spend funds for qualified medical expenses on a tax-advantaged basis. Your funds grow tax free and unused HSA funds roll over from year to year. HSAs are a convenient and easy way to save for future medical expenses.

What's next

This Welcome Kit provides an overview of how your HSA works, including accessing your account online, ways to contribute and use your funds, benefits associated with maximizing your contributions and utilizing beneficial online tools and resources within the Member Portal. In addition, you will receive the following materials shortly:

- Welcome communications containing instructions on how to log in to the Member Portal
- HSA debit card (within 10 business days)

Use this guide to get started

Now that your account is open, you can begin making deposits as well as using funds from your account to begin paying for qualified medical expenses.

Read through this guide for helpful hints and guidance on how to take control of your healthcare costs and begin saving for your future medical expenses.

For more detailed information, visit www.ims-tpa.com or call us at (919) 877 - 9933 ext 5052.

*WealthCare Saver is a dba of Alegeus Technologies, LLC, a licensed Non-Bank Custodian

Managing your account

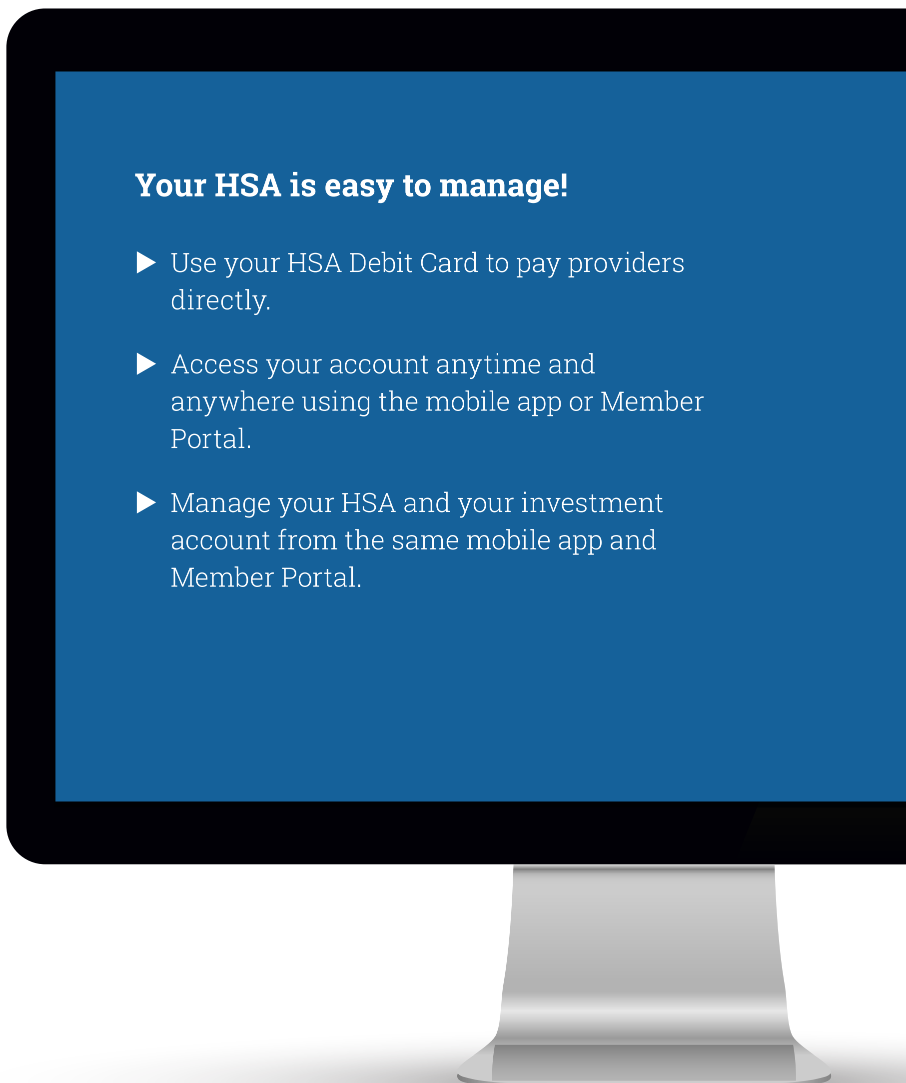
Online or on the go with your mobile device, the Member Portal puts you in control. Online access can be fulfilled during or following HSA enrollment. If following enrollment, visit **www.ims-tpa.com**, select **Register** and follow the prompts to complete the registration process.

As part of the registration process, you will choose your own username and password. Once registered, you can sign in to take control of your HSA. Log in, navigate to **My Accounts / Benefit Account Summary** and get started! If you have any questions, feel free to call us at (919) 877 - 9933 ext 5052.

Online account access

You're getting much more than just an HSA; we're providing a suite of services through the Member Portal that will simplify your account. With a single user ID and password, you gain access to the following features:

- View account and investment balances
- Access to current and historical activity and balances
- Mobile and tablet access if you are on the go
- Graphs and reports to monitor contribution limits
- Easy-to-use bill pay feature
- Access eStatements
- Establish account alerts
- Ability to report and reissue lost or stolen debit cards
- View and maintain account owner information
- Utilize contribution feature to set up electronic transfers
- Integrated investment option
- Access to online videos, calculators and other useful tools



A powerful mobile app experience

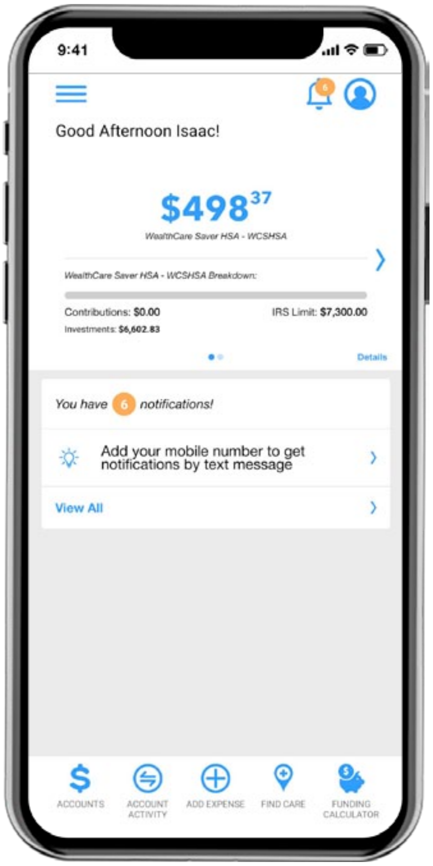
The IMS Flex Mobile takes the guesswork out of your healthcare spending and saving decisions. It includes a personalized, real-time and self-guided experience that ensures you have access to not only easily manage your HSA on the go but also powerful new tools to help you save money.

Easy and convenient

- Designed to work just as other iOS and Android apps, making it easy to learn and use
- Shares user authentication with the Member Portal, registered users can download the app and log in immediately to gain access to their HSA, with no need to register their phone.

Connects you with details

- Check available balances 24/7
- Submit qualified expenses for reimbersement
- View account activity
- Manage investment portfolio
- Use a pharmacy discount card
- Check item eligibility



Helps you get the most out of your HSA

- **Virtual medicine cabinet** to help you find ways to save on your prescriptions
- **Find care** to help you search for providers or procedure and drug prices
- **Funding calculator** to help you save for the future

It's secure

- No sensitive account information is ever stored on your mobile device and encryption is used to protect all transmissions.

Mobile SMS alerts

Supports a wide variety of customizable SMS alerts that empower you to proactively manage your HSA. You may opt-in or out of receiving SMS alerts at any time.

- Low balance
- Annual deductible met
- Address change
- Email change
- Password change
- Payroll deposit received
- HSA debit card mailed
- HSA debit card lost/stolen

Contributing is easy

Contributing funds helps lower your taxable income and allows you to build a “Nest Egg” for future healthcare expenses. Contributions to your HSA may be made by you, your employer or anyone; however, the preferred tax treatment will only be realized by you.

Contribution methods

You can contribute money to your account in several convenient ways including;

Funds Transfer
Within the Member Portal you can schedule one-time or recurring electronic transfers from other financial institutions. They are fast and easy!

Account Transfer
If you have an existing HSA, you may be eligible to either rollover or transfer the funds to your new HSA. Contact your current HSA Custodian or you may call us at (919) 877 - 9933 ext 5052 for further assistance.

Checks
If you prefer, you can send us a check by mail made payable to WealthCare Saver FBO (Account Holder Name) HSA. Simply write your HSA account number in the memo line and mail your check and a completed HSA contribution form to **WealthCare Saver #010950, BIN 88950, Milwaukee, WI 53288-0950**.

Maximizing your contributions

As you decide how much to contribute, it's important to note that contributing the maximum allowable amount helps you to get the most from your HSA. At the very least, you'll want to contribute enough to cover anticipated healthcare expenses. Because your balance rolls over year to year, there is no penalty for contributing more than you're able to use in one year. The tax advantages of an HSA make it a powerful long-term savings vehicle.

The maximum annual contribution can be made even if you become HSA-eligible after your tax year begins, as long as you are covered under a High Deductible Health Plan (HDHP) on the first day of the last month of your tax year (December 1 for most taxpayers) and remain in an HDHP for the following 12 months. See IRS publication 969 for details. Contributions are allowed until April 15 for the previous calendar year. Additionally, if you are 55 or older, you are allowed to make a $1,000 catch-up contribution.

Keep in mind that HSA contribution limits, established by the IRS, may change each year and you must not over contribute to avoid adverse tax consequences.

Catch-up contributions for account holders 55 and older

If you are age 55 or older, you may be able to make a catch-up contribution above the annual limit. Even if you join a qualified HDHP after the start of the year, you can contribute the maximum amount, as long as you have HDHP coverage for the last month of the taxable year and for the following 12 months. Catch-up contributions for the partial year of HDHP coverage must be pro-rated.

High-Yield interest option

Unlike an FSA, unused funds stay in your account from year to year and earn interest tax-free. You can choose the interest rate option that best meets your needs: High-Yield or Traditional. The High-Yield interest option can help you earn higher interest on your HSA cash balance, making it a great way to maximize the savings potential of your HSA cash balance.

Simply log in, go to your HSA account summary, and click on 'interest options' to make your selection or change it at any time.

Does this sound complicated? Don't worry. There are tools within the Member Portal that will help you monitor your contributions and help prevent over contributing. Contact us if you have questions at (919) 877 - 9933 ext 5052.

Using your HSA funds

HSA funds can be used to pay for qualified medical expenses, such as:

- Medical
- Dental
- Vision
- Prescription
- Medical Equipment
- Chiropractic

Go to www.ims-tpa.com and use the **Eligible HSA Expense** tool to see what types of expenses are qualified. You can also go to www.irs.gov and download Publication 502. Generally, qualified medical expenses are those expenses directly related to the alleviation or prevention of physical or mental illness. If you use HSA funds for medical expenses that are not qualified, they will be included in your taxable income. (HSA withdrawals made for non-qualified expenses are subject to ordinary income tax and IRS penalties may be applicable to non-qualified expenses paid for with funds from your HSA. Additionally, state taxes may vary so please consult your tax advisor.)

Pay for qualified expenses

- Use your HSA debit card where accepted, such as the pharmacy or doctor's office.
- Write your HSA debit card number on medical bills to have your HSA funds directed to the expense.
- Use online bill payment to pay for a healthcare expense or to reimburse yourself for an out-of-pocket medical expense.

Keep good records of your expenses

Be sure to keep receipts for all of your medical expenses for at least three years for tax-reporting purposes.

If you use your HSA funds for non-qualified medical expenses, and are under the age of 65, you may incur a 20% penalty and owe income taxes on the amount used. After the age of 65, HSA funds can be used for any expense with no penalty, but you may still owe income taxes on those funds. Use of your HSA funds for qualified medical expenses is always tax free.

Investing your HSA funds

Advantages of an HSA investment account

Unlike other healthcare accounts, funds in your HSA do not expire and are not contingent upon your employment. Not only does your balance accrue interest, but you also have a unique opportunity to grow your money even more by investing your HSA funds. Investing your HSA can help you prepare and save money for the future. Once your HSA reaches the $1,000, you can begin investing, just like a 401(k). But unlike a 401(k), you never pay taxes on earnings or withdrawals for qualified medical expenses.

Three investment models to fit your needs

Whether you're new to investing and seeking a guided experience or a seasoned investor looking to research and trade stocks and exchange-traded funds (ETFs) available on the platform, you can select an investment journey that is aligned with your needs. Choose from three unique investment models:

Managed: Designed for novice investors who prefer to have our advisor tool automatically select and rebalance investments on an ongoing basis in accordance with their age and/or risk profile. This account type delivers a "do-it-for-me" approach to investing.

Self-Directed: Designed for intermediate investors who have the desire to self-select from a menu of monitored investment options covering multiple asset classes to diversify their portfolio, and then rebalance their portfolio manually. This account type provides a balance between do-it-for-me and DIY approaches to investing.

Brokerage: Designed for adept investors who desire to perform advanced research and trading across hundreds of individual stocks and ETFs. This account type offers a hands-on, DIY approach to investing.

Enjoy an enhanced investment experience

- **Real-time trading:** A full suite of ETFs traded in real time provides you with lower costs. When your balance exceeds $1,000, you can immediately move assets into your investment account during market hours, Monday–Friday, 9:30 a.m. – 3:55 p.m. ET, rather than waiting the 24-48 hours that is common in other investment platforms. **Note:** For the Managed path, buys are executed according to your portfolio allocations and may take up to two business days after money is moved into the investment account
- **Easy access:** Manage all aspects of your HSA, including your deposit account and your investments, from a single experience.
- **Tools and resources:** Access a suite of educational materials to help put you on the path to success.

Getting started

After logging in to the Member Portal, expand 'my accounts' from the menu and click 'investments' or navigate to your HSA account summary and click the 'investment' button to get started.

Useful tips and suggestions

Make the most of your HSA

- Contribute as much as you can to your HSA (up to the contribution limit)
- Manage your healthcare expenses wisely
- Invest unused HSA funds and make your money work harder for you
- Take good care of yourself and your family – a healthy lifestyle makes a big difference

Note: Your Interactive Medical Systems HSA is generally triple tax-advantaged. You can save tax free with your HSA. You can fund your HSA with pre-tax or tax-deductible contributions. Balances grow tax free and withdrawals are also tax free as long as the money is used for IRS-qualified medical expenses. State taxes vary. Consult your tax advisor to determine how HSAs are treated for state tax purposes for the state in which you file your taxes.

Recordkeeping for tax purposes

You will be responsible for retaining your quarterly statements with your HSA records and all receipts for qualified medical expenses. Online statements are available for 18 months. Statements are generated at the end of each calendar quarter, so please access your account regularly. Consult your tax advisor to determine how HSAs are treated for state tax purposes for the state in which you file your taxes.

At year end, WealthCare Saver as the Custodian of your HSA will send you the following:

- 1099 SA – Available on the Member Portal by January 31 and shows your annual distributions
- 5498 SA – Available on the Member Portal by May 31 and shows your annual contributions

When you receive these forms, if you feel there is an error, contact us at (919) 877 - 9933 ext 5052 and we will work with you to make corrections and provide a corrected form.

Thank you for choosing the Interactive Medical Systems HSA with WealthCare Saver as your Custodian

For more information about HSAs, visit www.ims-tpa.com or call one of our customer support specialists at (919) 877 - 9933 ext 5052.