Individuals and businesses alike understand the need to proactively manage two of their most pressing costs – health care expenses and tax liability. Citizens Commercial Banking (“Citizens”) can help address both issues at once with our Health Savings Account solution (HSA). A triple-tax advantaged FDIC-insured account, an HSA is an attractive option for consumers who subscribe to a High Deductible Health Plan (HDHP) and for employers who offer these plans.

An account that yields triple-tax advantage

AN ANSWER TO MULTIPLE NEEDS

An HSA can serve as a valuable supplement to an HDHP and is a component of consumer driven health care (CDHC), in which routine claims are paid using a consumer-controlled account versus a fixed health insurance benefit. While CDHC gives patients greater control over their own health budgets along with lower monthly premiums, an HDHP may have higher annual deductibles than a traditional health care plan. This makes an HSA an attractive addition to such a plan.

In its simplest form, an HDHP is typically a Preferred Provider Organization (PPO) insurance product, or to a much lesser extent an HMO product. The insured person must pay directly for health care services each year, up to a defined annual “deductible” dollar amount, before the insurance plan pays for any benefits. HDHPs have higher annual deductibles than the average PPO or HMO product.

By utilizing an HSA, customers can simultaneously attain an extra layer of health security while reaping significant tax advantages. Funds placed in an HSA are either tax-exempt or tax deductible. Earnings on account balances grow tax deferred, and withdrawals for qualified medical expenses are tax-free.

EASY TO USE

Dispensing with the complexity of many health insurance options, a Citizens HSA functions much like a regular “checking” account. It offers easy enrollment, debit card access and competitive tiered interest rates. Online banking adds convenience with e-Statements and Bill Payment, or customers may use traditional paper checks. Tax reporting is built into the service, covering 1099SA and 5498SA reporting. Beyond the immediate benefits, an HSA can serve as a long-term investment vehicle, with an investment option available, as unused funds can accrue year over year, yielding tax-free savings for future health care expenses.

As with all Citizens solutions, we make it easy to get the most out of your HSA, with immediate access to customer service via web, automated voice response system (IVR) or phone. We also provide a full range of educational support and material to ensure that you fully understand your HSA.

BENEFITS FOR INDIVIDUALS AND EMPLOYERS

Beyond serving as another resource for planning for and meeting health care-related expenses, an HSA provides a range of additional benefits. Consumers will appreciate how easy it is to use, finding that the account entails less paperwork than a Flexible Spending Account (FSA). In addition to its three tax advantages, the account is portable – employees take it with them if they leave their employer. And, once funds are added to the account, the funds are available immediately. Employers will appreciate the reduction in administrative paperwork compared to traditional health plan offerings, accompanied by lower administrative costs – with no third party administrator to pay. The savings of offering an HDHP over a traditional plan can amount to a 20-40% premium cost reduction.

Employers also benefit from providing employees with an additional option in their benefits package and tax savings if making company contributions to employee accounts.

* Mutual funds are not bank deposits or obligations, are not guaranteed by any bank, and are not insured or guaranteed by the FDIC. Investment in mutual funds involves risk, including possible loss of principal.

A HEALTHY RANGE OF SERVICES AND SOLUTIONS

At Citizens, we want to make sure you take full advantage of our solutions. That’s why we’ve made our HSA offering as user-friendly as possible. Starting with online enrollment, our HSA is easy to set up and manage; and, the solution is fully compatible with other Citizens offers such as accessMONEY Manager®, our integrated online portal for managing all your Citizens accounts and transactions.

With a Citizens HSA, time to implementation is very fast – taking only days, as opposed to weeks with other providers. The interest rates offered by Citizens on HSA balances are consistently at the higher end of the range, augmented by our tiered-interest plan, rewarding higher balances with higher interest rates. We have also made mutual fund investments available through our HSA program, with a menu of 13 mutual funds along with the ability to make unlimited purchases and redemptions.*

Delivered with Citizens’ strong focus on customer service, our HSA solution is accompanied by ongoing educational resources, templates, calculators and tools, as well as informational support including videos and a quarterly newsletter.

A GREAT WAY TO...

• Augment a High Deductible Health Plan.
• Gain triple-tax advantage.
• Access another tool for long-term financial planning.
Health Savings Account (HSA)
GAIN A TRIPLE ADVANTAGE

THE BENEFITS OF CITIZENS COMMERCIAL BANKING

From Health Savings Accounts to the full range of our products and solutions, Citizens wants to be your trusted partner for all your cash management needs.

Citizens enjoys some of the highest debt ratings among major U.S. banks. So whether you require solutions for optimizing corporate cash, maintaining liquidity or managing risk, we have the depth of resources to help.

Comprehensive solutions. We take a holistic approach to your needs, creating wide-ranging solutions that draw on our market-leading product set – from cash, cards and trade finance services to advanced liquidity management tools.

Trusted advisor. Our thought leadership means we can advise on day-to-day practicalities of cash management, as well as on the implications for tomorrow. We make a point of knowing our clients well, so we can anticipate your needs and develop our solutions accordingly.

Global resources. Our global network extends to more than 38 countries and is a source of local expertise, operational coverage and dedicated client service wherever you do business.

All our solutions are delivered with Citizens’ customary emphasis on understanding and addressing your unique needs and providing the high degree of personalized attention you deserve.

For more information about how Citizens Commercial Banking can support your business needs, please contact your local Treasury Solutions representative or contact us at 1-877-550-5933.