

# BMO Harris Health Savings Account® Enrollment Kit



## Welcome to the BMO Harris® HSA enrollment kit

BMO Harris Bank® is offering you a Health Savings Account (HSA), which is a tax-advantaged account that can be used to pay for qualified medical expenses! This enrollment kit will help you learn more about the benefits of using a BMO Harris HSA and how to enroll today.

# Understanding the BMO Harris HSA

The BMO Harris Health Savings Account<sup>®</sup> (HSA) is a personal checking account that allows money to be deposited at any time and easily withdrawn for qualified medical expenses. With a BMO Harris HSA you can also use the BMO Harris Bank HSA Debit MasterCard<sup>®</sup> to pay for qualified medical expenses. You can even make payments online using BMO Harris Online Banking<sup>®</sup>.

## Features of the BMO Harris HSA

- No monthly maintenance fee
- Account earns a tiered interest rate
- BMO Harris Bank HSA Debit MasterCard<sup>®</sup>
  - No ATM transaction fee for deposits, withdrawals, transfers or balance inquiries at BMO Harris ATMs
  - \$2.50 will be assessed for each non-BMO Harris ATM transaction<sup>2</sup>
- Personalized HSA checks are available<sup>3</sup>
- Monthly statement
  - Free paper and e-statement with check images<sup>4</sup>
- \$25 fee if you transfer this account to a new custodian
- BMO Harris Online Banking<sup>®</sup> allows you to conveniently review your balance, transfer available funds between eligible BMO Harris accounts, track spending and pay bills

## To apply for a BMO Harris HSA follow these steps:

- Complete and sign the attached Health Savings Account (HSA) application included with this kit. Please see page 2 for a description of the eligibility requirements for an HSA.
- Once you've completed the HSA application, give it to your employer's benefits administrator for delivery to BMO Harris.
- Your employer should deliver your HSA application to BMO Harris for processing. Once processed, we will send you additional account details and disclosures.

<sup>1</sup> BMO Harris Bank does not provide tax or legal advice. You must seek the advice of your own tax and legal professional to ensure your compliance with applicable HSA and other laws.

<sup>2</sup> The ATM network or operator may charge you a fee for a transaction or balance inquiry.

<sup>3</sup> Fees for check orders vary.

<sup>4</sup> Customer must request check images from a BMO Harris Banker.

# Benefits and eligibility

An HSA is an effective savings tool to help you meet the rising cost of health care. With a BMO Harris HSA, your savings—and the interest it earns—allows you to pay for qualified medical expenses today and in the future, tax free.<sup>1</sup>

If you currently have a qualified high-deductible health plan (HDHP), the HSA allows you to save money for current and future qualified medical expenses incurred after the HSA was opened. The combination of an HSA and an HDHP gives you greater control in managing your health care investment and the growing cost of health care services.<sup>2</sup>

**Important note:** All references to taxes relate to federal taxes; state tax implications may vary by state. Consult with your tax advisor for tax-related advice.

## What are the other benefits of a Health Savings Account?

- **Take control**—You determine which qualified expenses will be paid from your HSA, how they will be paid and when
- **Benefit from no “use it or lose it” restrictions**—Unused balances can be carried over from year to year and continue to grow on a tax-free basis
- **HSAs are portable**—If you leave your job, you still own your HSA
- **Use HSA dollars to pay COBRA premiums**—COBRA premiums are qualified medical expenses
- **Purchase long-term care insurance**—Use tax-deferred dollars to plan for long-term needs
- **Supplement retirement income**—Once you turn age 65, you may use HSA balances to pay for medical expenses tax-free or choose to use HSA balances for non-medical purposes by claiming the amount of the withdrawal as income for tax purposes, penalty-free

## Are you eligible?

To be eligible for the BMO Harris HSA, you must meet all of the requirements. The chart below will help you determine your eligibility.

You may also confirm with your benefits administrator, or visit [www.irs.gov](http://www.irs.gov) and review IRS Publication 969.

## HSA eligibility requirements

- ✓ You are covered under a qualified HDHP.<sup>3</sup>
- ✓ You are not covered by another health plan that is not an HDHP.<sup>4</sup>
- ✓ You are not enrolled for Medicare benefits.
- ✓ You are not eligible to be claimed as a dependent on another individual's tax return.
- ✓ You or your spouse are not contributing to a traditional health flexible spending account (FSA) or health reimbursement arrangement (HRA), which would make you ineligible to contribute to an HSA. However, contributing to a limited-purpose health FSA or HRA will not prevent HSA eligibility.

## Enjoy triple tax savings:

- 1. Save on federal income taxes**—The contributions you make are deductible, up to the HSA maximum annual contribution limits (including age 55 catch-up contributions), when determining your adjusted gross income. Account balances grow tax-free!<sup>1</sup>
- 2. Interest earned on your HSA funds is tax-free!**
- 3. Cover deductibles and qualified out-of-pocket expenses**—Account balances can be used to pay for any qualified medical expense incurred after the HSA is opened. Withdrawals used to pay for qualified medical expenses are tax-free!<sup>1</sup>

<sup>1</sup> Contributions to, and earnings on, HSAs generally are not subject to federal taxes, but may be subject to state taxes depending on where you reside.

<sup>2</sup> BMO Harris Bank does not provide tax or legal advice. You must seek the advice of your own tax and legal professional to ensure your compliance with applicable HSA and other laws.

<sup>3</sup> The maximum out-of-pocket expenses are not to exceed the annual limits defined by the IRS. See your health insurance professional to determine if your insurance plan meets qualified HDHP requirements.

<sup>4</sup> Certain exceptions may apply.

# Contributions and distributions

With a BMO Harris HSA, there are a variety of ways the account can be funded and it's simple to make withdrawals to make payments for eligible medical expenses. Learn more details about both HSA contributions and distributions below.

## Contributions

Your BMO Harris HSA may be funded by you (the account owner), a family member, your employer or anyone else who chooses to contribute on your behalf. Aggregate contributions are limited to the maximum allowed by law and can be made to your account by simply making a deposit or transferring money from another account. Contributions may be made until April 15 or the tax filing deadline (not including extensions) for the previous calendar year.

### Account owner or family member contributions

As the account owner, you are responsible for making sure contributions made to the account do not exceed the annual limits. The contributions you and your family members make may be claimed as a deduction on your federal tax return regardless of income, tax filing status, employment status or whether or not you itemize tax deductions. However, if you make your HSA contributions on a pre-tax basis under your employer's cafeteria plan, then you may not take an additional deduction on your income taxes for those contributions.

### Employer pre-tax contributions

Contributions by your employer generally are not included in your taxable income and are not deductible on your federal tax return<sup>1</sup> but count toward your annual contribution limits.

### Excess contributions

The account holder must remove all excess contributions and applicable earnings prior to the tax return due date (including extensions) to avoid a 6% penalty tax, regardless of who made the contribution.

### Trustee-to-trustee transfers

Tax-free rollovers and trustee-to-trustee transfers to your BMO Harris HSA from another HSA or from your Archer Medical Savings Account are permitted and can help your HSA grow over time. A one-time transfer from an IRA (excluding SEP or SIMPLE) to an HSA is also permitted. Speak with your tax advisor to address your individual needs.

## Distributions

Unlimited, tax-free withdrawals may be made to pay for qualified, out-of-pocket medical expenses as they occur. Unlike an FSA, you must have the funds in your HSA before expenses can be paid. It's easy to make withdrawals from your account by using your BMO Harris Bank HSA Debit MasterCard<sup>®</sup>, BMO Harris Online Banking<sup>®</sup> or personalized HSA checks.

### What are qualified medical (out-of-pocket) expenses?

HSA funds can be used to cover any amount paid for medical care for you, your spouse and your dependents, as long as that amount is not also paid by insurance or otherwise. Medical care includes health insurance deductibles and co-payments for medical services and certain prescriptions. HSA funds can also be used to purchase prescribed over-the-counter drugs or insulin, for qualified long-term care insurance and to pay health insurance premiums during certain periods of unemployment. Please be aware that there is a 20% IRS penalty if you use your HSA funds for non-qualified medical expenses.

Tax year	Annual contribution limits		Add catch-up contribution(s): available for ages 55 or older	Maximum contribution limit with catch-up contribution for ages 55 or older	
	Self	Family		Self	Family
2013	\$3,250	\$6,450	\$1,000	\$4,250	\$7,450
2014	\$3,300	\$6,550	\$1,000	\$4,300	\$7,550

These amounts are based on HDHP coverage type and indexed annually for inflation.

For complete contribution and distribution rules, visit [www.irs.gov](http://www.irs.gov).

<sup>1</sup> Taxes may vary by state. Also, special tax inclusions and deduction rules apply for certain partners and S corporation shareholders.

# Quick tips about your HSA enrollment kit

This kit contains the documents necessary to establish a Health Savings Account (HSA). An HSA is established after the kit is fully executed by both you (account owner) and the custodian, and it must be completed no later than the due date (excluding extensions) of your income tax return for the tax year. Do not file the HSA Custodial Account Agreement (the 5305-C included on pages 6-13) with the IRS. Instead, keep it with your records.

## How to use this enrollment kit

You must complete and sign the included application. You should keep your own copy of the application and the remaining contents of the HSA enrollment kit for your records. BMO Harris will notify you in writing once your application has been approved. Be aware that BMO Harris requires spousal consent for non-spouse beneficiary designations.

## Additional documents

Applicable law or policies of the HSA custodian may require additional documentation such as Internal Revenue Service (IRS) Form W-9, Request for Taxpayer Identification Number and Certification.

## For additional guidance

It is in your best interest to seek the guidance of a tax or legal professional before completing the HSA application. For more information, refer to Internal Revenue Code (IRC) Section 223, other relevant IRC sections and all additional IRS guidance; IRS publications that include information about HSAs; instructions to your federal income tax return; your local IRS office or the IRS website at [www.irs.gov](http://www.irs.gov).

## Glossary

A general understanding of the following terms may be helpful in completing your transactions.

- **HSA:** An HSA is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses of you, your spouse and your dependents
- **Custodian:** An HSA custodian must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer Medical Savings Account (MSA) or any other person approved by the IRS
- **Account owner:** The account owner is the person who established the custodial account. For HSA purposes, the account owner is you

# Frequently asked questions

## **What is a High Deductible Health Plan (HDHP)?**

An HDHP is a medical plan that has a minimum annual deductible that meets a threshold determined by the IRS. See your health insurance professional to determine whether or not your HDHP is qualified for HSAs.

## **Who can make contributions to my HSA?**

Once the eligibility requirements are met, you, your employer, family members or any other person can make contributions to your HSA on your behalf. However, the total contributions from all of these parties are subject to the annual contribution limits.

## **What can I use my HSA for?**

To find a complete list of expenses that are generally qualified for HSA purposes, see your health insurance professional or IRS Publication 502.

## **What if the total of contributions made on my behalf exceeds the allowable contribution limit?**

If the total of the contributions from yourself, your employer, your family members or others exceeds the allowable contribution limit for the year, you will be subject to a 6% excess contribution tax if not removed prior to your tax filing due date (including extensions). It is your responsibility to remove the excess contributions and any related earnings prior to filing your federal income taxes.

## **Do the same (federal) tax rules apply for my state tax return?**

See your tax advisor or benefits plan administrator to determine how state tax rules apply to your HSA contributions and distributions. Rules may vary by state.

## **If my HDHP is established in the middle of the year, are there any circumstances in which I may still make the full year's worth of contributions to my HSA?**

Generally, you may make a contribution to an HSA for a month only if you were a participant in an HDHP on the first day of that month. However, if you become HSA-eligible during the middle of a tax year and remain HSA-eligible until the last month of that tax year, then you may make HSA contributions for all previous months in the tax year up to the annual legal limit. For example, if you become a participant in an HDHP in May, you may still make the full annual contribution to your HSA for that year, even for months prior to your participation in the HDHP. However, you must also remain HSA-eligible for all of the following tax year unless you die or become disabled. Otherwise, the special HSA contributions you made (i.e., those for months in which you weren't a participant in an HDHP) are subject to income tax and a 10% penalty.

## **Can I contribute to a BMO Harris HSA if I have another health plan that is not a qualified HDHP?**

No. However, there are a few exceptions. See your benefits plan administrator or health insurance professional for guidelines.

## **Are transfer or rollover contributions permitted?**

HSA-to-HSA transfers or rollovers are permitted. A trustee-to-trustee transfer may be more appropriate for converting your Archer MSA or an existing HSA to an HSA with us. You also may be eligible to make a one-time tax-free<sup>1</sup> transfer from an IRA (not including SEP or SIMPLE). Speak with your tax advisor regarding your individual needs and to determine how state rules apply to rollover contributions.

## **What are the beneficiary rules?**

If your spouse is designated as the beneficiary of the account, upon death, the HSA becomes the HSA of your spouse. The surviving spouse is subject to income tax only if the distributions from the HSA are not used for qualified medical expenses. If your beneficiary is not your spouse, your HSA account balance generally will be treated as ordinary income to the recipient in the year of your death.

## **How do I obtain an HSA card for my spouse or dependent, age 18 or older?**

Contact a BMO Harris Banker at 1-866-472-4632 or visit your neighborhood BMO Harris branch for details.

## **How do I withdraw money from my HSA?**

You can withdraw funds from your HSA by using your BMO Harris Bank HSA DebitCard<sup>®</sup> at a BMO Harris branch, by paying bills with BMO Harris Bill Pay<sup>®</sup> through BMO Harris Online Banking<sup>®</sup> or if you order checks, you can use your HSA checks.

<sup>1</sup> Taxes may vary by state. Also, special tax inclusion and deduction rules apply for certain partners and S corporation shareholders.

# HEALTH SAVINGS CUSTODIAL ACCOUNT

Form **5305-C** (Under section 223(a) of the Internal Revenue Code)  
(November 2007) Department of the Treasury Internal Revenue Service  
The account owner and the custodian make the following agreement:

Do not file with  Amendment  
Internal Revenue Service

## Article I.

1. The custodian will accept additional cash contributions for the tax year made by the account owner or on behalf of the account owner (by an employer, family member or any other person). No contributions will be accepted by the custodian for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.

2. Contributions for any tax year may be made at any time before the deadline for filing the account owner's federal income tax return for that year (without extensions).

3. Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.

4. Qualified HSA distributions from a health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.

5. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

## Article II.

1. For calendar year 2007, the maximum annual contribution limit for an account owner with single coverage is \$2,850. This amount increases to \$2,900 in 2008. For calendar year 2007, the maximum annual contribution limit for an account owner with family coverage is \$5,650. This amount increases to \$5,800 in 2008. These limits are subject to cost-of-living adjustments after 2008.

2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.

3. For calendar year 2007, an additional \$800 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare. The catch-up contribution increases to \$900 in 2008 and \$1,000 in 2009 and later years.

4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

## Article III.

It is the responsibility of the account owner to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, the account owner shall notify the custodian that there exist excess contributions to the HSA. It is the responsibility of the account owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

## Article IV.

The account owner's interest in the balance in this custodial account is nonforfeitable.

## Article V.

1. No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).

2. The assets of this account may not be commingled with other property except in a common trust fund or common investment fund.

3. Neither the account owner nor the custodian will engage in any prohibited transaction with respect to this account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

## Article VI.

1. Distributions of funds from this HSA may be made upon the direction of the account owner.

2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the account owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the account owner's gross income and are subject to an additional 10 percent tax on that amount. The additional 10 percent tax does not apply if the distribution is made after the account owner's death, disability, or reaching age 65.

3. The custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the account owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

## Article VII.

If the account owner dies before the entire interest in the account is distributed, the entire account will be disposed of as follows:

1. If the beneficiary is the account owner's spouse, the HSA will become the spouse's HSA as of the date of death.

2. If the beneficiary is not the account owner's spouse, the HSA will cease to be an HSA as of the date of death. If the beneficiary is the account owner's estate, the fair market value of the account as of the date of death is taxable on the account owner's final return. For other beneficiaries, the fair market value of the account is taxable to that person in the tax year that includes such date.

## Article VIII.

1. The account owner agrees to provide the custodian with information necessary for the custodian to prepare any report or return required by the IRS.

2. The custodian agrees to prepare and submit any report or return as prescribed by the IRS.

## Article IX.

Notwithstanding any other article that may be added or incorporated in this agreement, the provisions of Articles I through VIII and this sentence are controlling. Any additional article in this agreement that is inconsistent with section 223 or IRS published guidance will be void.

## Article X.

This agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the Application that accompanies this Agreement.

## Article XI.

**11.01 Your HSA Documents.** This Agreement for an HSA, and any amendments or additional provisions to such agreement, set forth the terms and conditions governing the account owner's HSA relationship with us. This Agreement will be accompanied by a disclosure statement, which sets forth various HSA rules in simpler language, and may also be accompanied by other documents such as an application or beneficiary designation.



**11.02 Definitions.** This Agreement refers to you as the account owner, and us as the custodian. References to "you," "your," and "HSA owner" will mean the account owner, and "we," "us," and "our" will mean the custodian. Upon your death, your spouse beneficiary, if applicable, becomes "you" for purposes of this Agreement. In the event you appoint a third party, or have a third party appointed on your behalf to handle certain transactions affecting your HSA, such third party will be considered your agent and, therefore, "you" for purposes of this Agreement. Additionally, references to "HSA" will mean the custodial account.

**11.03 Additional Provisions.** Additional provisions may be attached to, and made a part of, this Agreement by either party. The provisions must be in writing, agreed to by us, and in a format acceptable to us.

**11.04 Our Fees and Expenses.** We may charge reasonable fees and are entitled to reimbursement for any expenses we incur in establishing and maintaining your HSA. We may change the fees at any time by providing you with notice of such changes. We will provide you with fee disclosures and policies. Fees may be paid directly from your HSA assets, and/or billed separately to you. The payment of fees has no effect on your contributions. Additionally, we have the right to liquidate your HSA assets to pay such fees and expenses. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

**11.05 Amendments.** We may amend your HSA in any respect and at any time, including retroactively, to comply with applicable laws governing HSAs and the corresponding regulations. Any other amendments shall require your consent, by action or no action, and will be preceded by written notice to you. Unless otherwise required, you are deemed to automatically consent to an amendment, which means that your written approval is not required for the amendment to apply to the HSA. In certain instances the governing law or our policies may require us to secure your written consent before an amendment can be applied to the HSA. If you want to withhold your consent to an amendment, you must provide us with a written objection within 30 days of the receipt date of the amendment.

**11.06 Notice and Delivery.** Any notice mailed to you will be deemed delivered and received by you, five days after the postmark date. This fifth day following the postmark is the receipt date. Notices will be mailed to the last address we have in our records. You are responsible for ensuring that we have your proper mailing address. Upon your consent, we may provide you with notice in a delivery format other than by mail. Such formats may include various electronic deliveries. Any notice, including terminations, change in personal information, or contributions mailed to us will be deemed delivered when actually received by us based on our ordinary business practices. All notices must be in writing unless our policies and procedures provide for oral notices.

**11.07 Applicable Laws.** This Agreement will be construed and interpreted in accordance with the laws of, and venued in, our state of domicile.

**11.08 Disqualifying Provisions.** Any provision of this Agreement that would disqualify the HSA will be disregarded to the extent necessary to maintain the account as an HSA.

**11.09 Interpretation.** If any question arises as to the meaning of any provision of this Agreement, then we shall be

authorized to interpret any such provision, and our interpretation will be binding upon all parties.

**11.10 Representations and Indemnity.** You represent that any information you and/or your agents provide to us is accurate and complete, and that your actions comply with this Agreement and applicable laws governing HSAs. You understand that we will rely on the information provided by you, and that we have no duty to inquire about or investigate such information. We are not responsible for any losses or expenses that may result from your information, direction, or actions, including your failure to act. You agree to hold us harmless, to indemnify, and to defend us against any and all actions or claims arising from, and liabilities and losses incurred by reason of your information, direction, or actions. Additionally, you represent that it is your responsibility to seek the guidance of a tax or legal professional for your HSA issues.

We are not responsible for determining whether any contributions or distributions comply with this Agreement and/or the federal laws governing HSAs. We are not responsible for any taxes, judgments, penalties or expenses incurred in connection with your HSA, or any losses that are a result of events beyond our control. We have no responsibility to process transactions until after we have received appropriate direction and documentation, and we have had a reasonable opportunity to process the transactions. We are not responsible for interpreting or directing beneficiary designations or divisions, including separate accounting, court orders, penalty exception determinations, or other similar situations.

**11.11 Investment of HSA Assets.**

**(a) Investment of Contributions.** We will invest HSA contributions and reinvest your HSA assets as directed by you based on our then-current investment policies and procedures. If you fail to provide us with investment direction for a contribution, we will return or hold all or part of such contribution based on our policies and procedures. We will not be responsible for any loss of HSA income associated with your failure to provide appropriate investment direction.

**(b) Directing Investments.** All investment directions must be in a format or manner acceptable to us. You may invest in any HSA investments that you are qualified to purchase, and that we are authorized to offer and do offer at the time of the investment selection, and that are acceptable under the applicable laws governing HSAs. Your HSA investments will generally be registered in our name or our nominee's name (if applicable) for the benefit of your HSA. Specific investment information may be provided at the time of the investment.

Based on our policies, we may allow you to delegate the investment responsibility of your HSA to an agent by providing us with written notice of delegation in a format acceptable to us. We will not review or guide your agent's decisions, and you are responsible for the agent's actions or failure to act. We are not responsible for directing your investments, or providing investment advice, including guidance on the suitability or potential market value of various investments. For investments in securities, we will exercise voting rights and other similar rights only at your direction, and according to our then-current policies and procedures.

(c) **Investment Fees and Asset Liquidation.** Certain investment-related fees, which apply to your HSA, must be charged to your HSA and cannot be paid by you. We have the right to liquidate your HSA assets to pay fees and expenses, federal tax levies, or other assessments on your HSA. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

(d) **Deposit Investments.** The deposit investments provided by us may include savings, share, and/or money market accounts, and certificates of deposit (CDs).

(e) **Non-Deposit Investments.** Non-deposit investments include investments in property, annuities, mutual funds, stocks, bonds, and government, municipal and U.S. Treasury securities, and other similar investments. Most, if not all, of the investments we offer are subject to investment risks, including possible loss of the principal amount invested. Specific investment disclosures may be provided to you.

**11.12 Distributions.** Withdrawal requests must be in a format acceptable to us, and/or on forms provided by us. We may require you, or your beneficiary after your death, to provide documentation and a proper tax identification number before we process a distribution. These withdrawals may be subject to taxes, withholding, and penalties. Distributions will generally be in cash or in kind based on our policies. In-kind distributions will be valued according to our policies at the time of the distribution. Any distribution by check, debit card or other method approved by us will be reported as a normal distribution, unless we inform you otherwise or unless - at the time of the distribution - we provide you with a means to state otherwise and you in fact state otherwise. Our policies may permit us to accept the return of a mistaken distribution.

**11.13 Cash or In-Kind Contributions.** We may accept transfers, rollovers, and other similar contributions, remotely or in person, in cash or in kind from other HSAs and from Archer Medical Savings Accounts (MSAs). Prior to completing such transactions we may require that you provide certain information in a format acceptable to us. In-kind contributions will be valued according to our policies and procedures at the time of the contribution.

**11.14 Reports and Records.** We will maintain the records necessary for IRS reporting on this HSA. Required reports will be provided to you, or your beneficiary after your death, and the IRS. If you believe that your report is inaccurate or incomplete you must notify us in writing within 30 days following the receipt date. Your investments may require additional state and federal reporting.

**11.15 Termination.** You may terminate this Agreement without our consent by providing us with a written notice of termination. A termination and the resulting distribution or transfer will be processed and completed as soon as administratively feasible following the receipt of proper notice. At the time of termination we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties.

**11.16 Our Resignation.** We can resign at any time by providing you with 30 days written notice prior to the resignation date, or within five days of our receipt of your written objection to an amendment. In the event you materially breach this Agreement, we can terminate this Agreement by providing you with five days prior written notice. Upon our resignation, you must appoint a qualified successor custodian or trustee. Your HSA assets will be transferred to the successor custodian or trustee once we have received appropriate direction. Transfers will be completed within a reasonable time following our resignation notice and the payment of your remaining HSA fees or expenses. We reserve the right to retain HSA assets to pay any remaining fees or expenses. At the time of resignation we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties. If you fail to provide us with acceptable transfer direction within 30 days from the date of the notice, we can transfer the assets to a successor custodian or trustee of our choice, distribute the assets to you in kind, or liquidate the assets and distribute them to you in cash.

**11.17 Successor Organization.** If we merge with, purchase, or are acquired by, another organization, such organization, if qualified, may automatically become the successor custodian or trustee of your HSA.

**11.18 Tax Year of Contributions.** Any transaction, including a remote transaction - such as a computer/internet, ATM, or night deposit transaction - that results in a regular contribution to the HSA is considered a current tax year contribution. However, we may allow you to specify the tax year for a regular contribution at the time of the contribution.

# IRS FORM 5305-C INSTRUCTIONS (11-2007)

## General Instructions

Section references are to the Internal Revenue Code.

### Purpose of Form

Form 5305-C is a model custodial account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the custodian. The form can be completed at any time during the tax year. This account must be created in the United States for the exclusive benefit of the account owner.

Do not file Form 5305-C with the IRS. Instead, keep it with your records. For more information on HSAs, see Notice 2004-2, 2004-1 C.B. 269, Notice 2004-50, 2004-2 C.B. 196, Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, and other IRS published guidance.

### Definitions

**Identifying Number.** The account owner's social security number will serve as the identification number of this HSA. For married persons, each spouse who is eligible to open an HSA and wants to contribute to an HSA must establish his or her own account. An employer identification number (EIN) is required for an HSA for which a return is filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

### High Deductible Health Plan (HDHP).

For calendar year 2007, an HDHP for self-only coverage has a minimum annual deductible of \$1,100 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, but not premiums) of \$5,500. In 2008, the \$1,100 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$5,600. For calendar year 2007, an HDHP for family coverage has a minimum annual deductible of \$2,200 and an annual out-of-pocket maximum of \$11,000. In 2008, the \$2,200 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$11,200. These limits are subject to cost-of-living adjustments after 2008.

**Self-only coverage and family coverage under an HDHP.** Family coverage means coverage that is not self-only coverage.

**Qualified medical expenses.** Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but only to the extent that such amounts are not compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses.

**Custodian.** A custodian of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

### Specific Instructions

**Article XI.** Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and custodian. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.

# HEALTH SAVINGS ACCOUNT DISCLOSURE STATEMENT

**This Disclosure Statement.** This Disclosure Statement provides you, or your beneficiaries after your death, with a summary of the rules and regulations governing this HSA.

**Definitions.** The Health Savings Custodial Account agreement contains a definitions section. The definitions found in such section apply to this Agreement. It refers to you as the account owner, and us as the custodian. References to "you," "your," and "HSA owner" will mean the account owner, and "we," "us," and "our" will mean the custodian. Upon your death, your spouse beneficiary, if applicable, becomes "you" for purposes of this Disclosure Statement. In the event you appoint a third party, or have a third party appointed on your behalf to handle certain transactions affecting your HSA, such third party will be considered your agent and, therefore, "you" for purposes of this Disclosure Statement. Additionally, references to "HSA" will mean the custodial account.

**For Additional Guidance.** It is in your best interest to seek the guidance of a tax or legal professional before completing any HSA establishment documents. Your first reference for questions concerning your HSA should be Internal Revenue Code (IRC) Section 223, other relevant IRC sections, and all additional Internal Revenue Service (IRS) guidance; IRS publications that include information about HSAs; any additional provisions or amendments to such documents; and this Disclosure Statement. For more information, you can also refer to the instructions to your federal income tax return, your local IRS office, or the IRS's web site at [www.irs.gov](http://www.irs.gov).

## HSA Restrictions and Approval.

1. **Health Savings Custodial Account Agreement.** This Disclosure Statement and the Health Savings Custodial Account agreement, amendments, application, and additional provisions set forth the terms and conditions governing your HSA. Such documents are the "Agreement."
2. **Individual/Family Benefit.** This HSA must be for the exclusive benefit of you, your spouse, and your dependents and, upon your death, your beneficiaries. The HSA must be established in your name and not in the name of your beneficiary, living trust, or another party or entity.
3. **Beneficiary Designation.** By completing the appropriate section on the corresponding Health Savings Account Application you may designate any person(s) as your beneficiary to receive your HSA assets upon your death. You may also change or revoke an existing designation in such manner and in accordance with such rules as we prescribe for this purpose. We may rely on the latest beneficiary designation on file at the time of your death, will be fully protected in doing so, and will have no liability whatsoever to any person making a claim to the HSA assets under a subsequently filed designation or for any other reason.
4. **Cash Contributions.** Regular or annual HSA contributions must be in cash, which may include a check, money order, or wire transfer. It is within our discretion to accept in-kind contributions for rollovers, transfers, or similar transactions.
5. **HSA Custodian.** An HSA custodian must be a bank, an insurance company, a person previously approved by the IRS to be a trustee of an individual retirement account (IRA) or Archer Medical Savings Account (MSA) or any other person approved by the IRS.
6. **Prohibition Against Life Insurance and Commingling.** None of your HSA assets may be invested in life insurance contracts, or commingled with other property, except in a common trust fund or common investment fund.

7. **Nonforfeitability.** The assets in your HSA are not forfeitable.
8. **Cash or In-Kind Rollovers.** You may be eligible to make a rollover contribution of your HSA or Archer MSA distribution, in cash or in kind, to an HSA. These and other potential rollovers to and from HSAs are described in greater detail elsewhere in this Disclosure Statement.
9. **No Prohibited Transactions.** There are negative consequences if you enter into prohibited transactions with your HSA (e.g., you may not sell, exchange, or lease property, borrow or lend money, pledge the HSA, furnish goods, services or facilities, transfer to or use by or for your benefit any assets of the HSA). If you engage in a prohibited transaction with your HSA, the sanction, in general, is disqualification of the HSA. Thus, the HSA stops being an HSA as of the first day of the taxable year of the prohibited transaction. The assets of your HSA are deemed distributed, and the appropriate taxes, including the additional 10 percent tax for distributions not used for qualified medical expenses apply.
10. **IRS Approval of Form.** This Agreement includes an IRS Forms 5305 series agreement. This IRS document has been approved by the IRS. This approval is not a determination of its merits, and not an endorsement of the investments provided by us or the operation of the HSA.
11. **State Laws.** State laws may affect your HSA in certain situations, including deductions, beneficiary designations, agency relationships, consent, taxes, tax withholding, and reporting.

## HSA Eligibility.

1. **Eligibility for an HSA.** You are an eligible individual and may make or receive an HSA regular contribution if, with respect to any month, you:
  - a. are covered under a high-deductible health plan (HDHP);
  - b. are not covered by any other type of health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage);
  - c. are not enrolled in Medicare; and
  - d. may not be claimed as a dependent on another person's tax return.
2. **High-Deductible Health Plan.** Generally, an HDHP is a health plan that provides significant benefits and satisfies certain requirements with respect to deductibles and out-of-pocket expenses. For purposes of this HSA, a high deductible health plan is a plan with a minimum annual deductible and an out-of-pocket expense limit as follows:

Tax Year	HDHP Coverage	Minimum Deductible	Out-of-Pocket Expense Limit
2011	Self-Only	\$1,200	\$ 5,950
	Family	\$2,400	\$ 11,900
2012	Self-Only	\$1,200	\$ 6,050
	Family	\$2,400	\$ 12,100
2013 and later	Self-Only	\$1,200*	\$ 6,050*
	Family	\$2,400*	\$ 12,100*

\*Subject to annual cost-of-living adjustments, if any.

A plan shall not fail to be treated as an HDHP by reason of failing to have a deductible for preventive care. An HDHP may therefore provide preventive care benefits without a deductible or with a deductible below the minimum annual deductible.

3. **Permitted Insurance.** You are eligible for an HSA if you have coverage for any benefit provided by permitted insurance. An example of permitted insurance is insurance for a specific disease or illness, such as cancer insurance.

In addition, you are eligible for an HSA if you have coverage (whether provided through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care.

**HSA Contributions.**

1. **Who Can Make Regular or Annual Contributions.** If you meet the eligibility requirements for an HSA, you, your employer, your family members, or any other person (including nonindividuals) may contribute to your HSA. This is true whether you are self-employed or unemployed.

2. **Regular or Annual Contributions.**

- a. **Maximum Annual Contributions.** In general, the maximum annual contribution is the contribution limit based on HDHP coverage as shown in the following chart:

Tax Year	HDHP Coverage	Contribution Limit	Catch-Up Contribution Limit	Total Contribution Limit
2011	Self-Only	\$3,050	\$1,000	\$4,050
	Family	\$6,150	\$1,000	\$7,150
2012	Self-Only	\$3,100	\$1,000	\$4,100
	Family	\$6,250	\$1,000	\$7,250
2013 and later	Self-Only	\$3,100*	\$1,000	\$4,100*
	Family	\$6,250*	\$1,000	\$7,250*

\*Subject to annual cost-of-living adjustments, if any.

Your maximum annual contribution is generally determined by adding together your monthly contribution limits for the year. Your monthly contribution limit is determined on the first day of each month that you are an eligible individual. A monthly contribution limit is 1/12 of the annual contribution limit based on your health plan coverage (self-only or family) for such month.

However, your maximum annual contribution may be a greater amount if you are an eligible individual on the first day of the last month (December 1 for calendar-year taxpayers). If so, you are treated as an eligible individual for all months of the tax year and you may contribute up to such tax year's annual contribution limit based on your HDHP coverage (self-only or family) on December 1 (for calendar-year taxpayers).

If your maximum contribution amount determined under this method is greater than your monthly-determined maximum, and you contribute the greater amount, a testing period applies. The testing period for this provision begins with the last month of the contribution year and ends on the last day of the 12th month following such month (December 31 for calendar-year taxpayers). If you do not continue to be an eligible individual for the entire testing period, unless you die or become disabled, the difference between your monthly-determined maximum and the amount you contributed is includable in your gross income for the year of failure and is subject to a 10 percent penalty tax. For example, if you are an eligible individual and enroll in self-only HDHP coverage on January 1 but change to family HDHP coverage on November 1 and retain family HDHP coverage through December 31 of the same year, you may be able to

contribute up to the full annual contribution limit for family coverage (plus catch-up if you are eligible) because it is greater than the sum of the monthly contribution limits (10/12 of the self-only annual limit plus 2/12 of the family limit).

- b. **Qualified HSA Funding Distribution.** If you are an eligible HSA individual, you may elect to take a qualified HSA funding distribution from your IRA (not including ongoing SEP and SIMPLE IRAs) to the extent such distribution is contributed to your HSA in a trustee-to-trustee transfer. This amount is aggregated with all other annual HSA contributions and is subject to your annual HSA contribution limit. The contribution is made for the tax year of the distribution. A qualified HSA funding distribution election is irrevocable and is generally available once in your lifetime. A testing period applies. The testing period for this provision begins with the month of the contribution to your HSA and ends on the last day of the 12th month following such month. If you are not an eligible individual for the entire testing period, unless you die or become disabled, the amount of the contribution made under this provision will be includable in gross income for the tax year of the month you are not an eligible individual, and is subject to a 10 percent penalty tax.

- c. **Annual Contributions Aggregated.** If you have more than one HSA, the aggregate annual contributions to all the HSAs are subject to the contribution limit. This limit is decreased by the aggregate contributions to an Archer MSA. The same annual contribution limit applies whether the contributions are made by you, your employer, your family members, or any other person (including nonindividuals). Contributions may be made on your behalf even if you have no compensation or if the contributions exceed your compensation.

- d. **Catch-Up Contributions.** Catch-up contributions are HSA contributions made in addition to any regular HSA contributions. You are eligible to make catch-up contributions if you meet the eligibility requirements for regular contributions and are age 55 or older by the end of your taxable year and not enrolled in Medicare. As with the annual contribution limit, the catch-up contribution is generally computed on a monthly basis. However, you may be eligible to contribute the entire catch-up contribution amount even if you are not an eligible individual for the entire tax year using the same first day of the last month eligibility rules and testing period applicable to the annual contribution limit.

3. **One or Both Spouses Have Family Coverage.** You and your spouse are treated as having family coverage if one or both of you has family coverage. The contribution limit is divided equally between you and your spouse, unless each of you agree on a different division. The family coverage limit is reduced further by any contribution to an Archer MSA. However, each of you may make the catch-up contributions without exceeding the family coverage limit.

4. **Contribution Deductibility.**

- a. **Your Contributions.** Contributions made by you to an HSA, which do not exceed the maximum annual contribution amount, are deductible by you when determining your adjusted gross income. You are not required to itemize deductions in order to take this deduction. However, you cannot also deduct the contributions as medical expenses under section 213.

Contributions by family members or any other person (including nonindividuals) on your behalf are also deductible by you. A contribution from an IRA is not deductible.

- b. **Employer Contributions.** Employer contributions are treated as employer-provided coverage for medical expenses under an accident or health plan and are excludable from your gross income. The employer contributions are not subject to withholding from wages for income tax or subject to the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), or the Railroad Retirement Tax Act. Contributions to your HSA through a cafeteria plan are treated as employer contributions. You cannot deduct employer contributions on your federal income tax return as HSA contributions or as medical expense deductions under section 213.
5. **Contribution Deadline.** You or your employer may make regular and catch-up HSA contributions any time for a taxable year up to and including your federal income tax return due date, excluding extensions, for that taxable year. The due date for most taxpayers is April 15.
6. **Return of Mistaken Distribution.** If you mistakenly distribute assets from the HSA, our policies may allow you to return the assets to the HSA. If you are able to return a mistaken distribution, you will need to be prepared to provide the IRS with clear and convincing evidence that the HSA distribution was the result of a mistake of fact due to reasonable cause. A mistaken distribution can be returned no later than April 15 following the first year you knew or should have known the distribution was a mistake.

**Moving Assets To and From HSAs.** There are a variety of transactions that allow you to move assets to and from your HSA. We have sole discretion on whether we will accept, and how we will process, movements of assets to and from HSAs. We or the other financial organization involved in the transaction may require documentation for such activities.

1. **HSA-to-HSA Transfers.** You may transfer all or a portion of your HSA assets from one HSA to another HSA. An HSA transfer means that the HSA assets move from one HSA to another HSA in a manner that prevents you from cashing or liquidating the HSA assets, or even depositing the assets anywhere except in the receiving HSA. You may be required to complete a transfer authorization form prior to transferring your HSA assets.
2. **Archer MSA-to-HSA Transfers.** A transfer of Archer MSA assets to an HSA is permitted. However, HSA assets cannot be transferred to an Archer MSA.
3. **HSA-to-HSA Rollovers.** An HSA rollover is another way to move assets tax-free between HSAs. You may roll over all or a portion of your HSA assets by taking a distribution from an HSA and recontributing it as a rollover contribution into the same or another HSA. Rollovers to HSAs are not allowed from traditional or Roth IRAs and employer-sponsored retirement plans. You must report your HSA rollover to the IRS on your federal income tax return. Your contribution may only be designated as a rollover if the HSA distribution is deposited within 60 calendar days following the date you receive the distributed assets. You are limited to one rollover per HSA per 12 months. The distributing and receiving HSA,

including the HSA assets rolled over, are subject to this 12-month rule. The 12-month period begins on the day after you receive a distribution that will be properly rolled over into an HSA.

4. **Archer MSA-to-HSA Rollovers.** Rollovers from an Archer MSA to an HSA are permitted. However, HSA assets cannot be rolled over to an Archer MSA. The distributing MSA and receiving HSA, including the MSA assets rolled over, are subject to the 12-month rule.
5. **Health Reimbursement Arrangement (HRA)/Health Flexible Spending Account (FSA)-to-HSA Rollovers.** You may be allowed to roll over assets from your HRA or health FSA to an HSA. The rollover from your HRA or health FSA must be completed in a trustee-to-trustee transfer (i.e., contributed by the employer directly to your HSA). This provision is available through tax-year 2011 if you are an eligible individual. A testing period applies. The testing period for this provision begins with the month of the contribution to your HSA and ends on the last day of the 12th month following such month. If you are not an eligible individual for the entire testing period, unless you die or become disabled, the amount of the contribution made under this provision will be includable in gross income for the tax year of the month you are not an eligible individual, and is subject to a 10 percent penalty tax. In certain situations your employer may request a distribution from your HSA.

**HSA Distributions.** You or, after your death, your beneficiary may take an HSA distribution, in cash or in kind based on our policies, at any time. However, depending on the timing and amount of your distribution you may be subject to income taxes and/or penalty taxes. HSA custodians/trustees are not required to determine whether HSA distributions are used for qualified medical expenses.

1. **Removal of Excess Contributions.** You may withdraw all or a portion of your excess contribution and attributable earnings by your federal income tax return due date, including extensions, for the taxable year for which the contribution was made. The excess contribution amount distributed will generally not be taxable, but the attributable earnings on the contribution will be taxable in the year in which the distribution is received. If you timely file your federal income tax return, you may still remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers.
2. **Qualified Medical Expenses.** Qualified medical expenses are expenses paid by you, your spouse, or your dependents for medical care as defined in section 213(d) or as otherwise permitted by law, but only to the extent the expenses are not covered by insurance or otherwise. The qualified medical expenses must be incurred only after the HSA has been established.
3. **Death.** Upon your death, any balance remaining in your HSA becomes the property of the beneficiaries named in the HSA agreement.
  - a. **Spouse.** If your spouse is the beneficiary of your HSA, the HSA becomes his/her HSA as of the date of your death. We may require your spouse to transfer the assets to an HSA of his/her own. Your spouse is subject to income tax only to the extent distributions from the HSA are not used for qualified medical expenses.

b. **Nonspouse.** If your beneficiary is not your spouse, the HSA ceases to be an HSA as of the date of your death. If your beneficiary is your estate, the fair market value of your HSA as of the date of your death is taxable on your final return. For other beneficiaries, the fair market value of your HSA is taxable to them in the tax year that includes such date. For such a person (except your estate), this amount is reduced by any payments from the HSA made for your qualified medical expenses, if paid within one year after your death.

4. **Removal of Employer Contributions.** If your employer contributes an amount in excess of the maximum annual contribution amount, or if your employer makes a contribution to your HSA but you were never an eligible individual, your employer may request a distribution from your HSA to correct the error.

#### **Federal Income Tax Status of Distributions.**

1. **Taxation.** Distributions from your HSA used exclusively to pay for qualified medical expenses of you, your spouse, or your dependents are excludable from gross income. In general, amounts in an HSA can be used for qualified medical expenses and will be excludable from gross income even if you are not currently eligible for contributions to the HSA. However, any amount of the distribution not used exclusively to pay for qualified medical expenses of you, your spouse, or your dependents is includable in your gross income and is subject to an additional 20 percent tax penalty on the amount includable, except in the case of distributions made after your death, your disability, or your attainment of age 65. HSA distributions which are not rolled over will be taxed as income in the year distributed, unless they are used for qualified medical expenses. You may also be subject to state or local taxes and withholding on your HSA distributions.

2. **Earnings.** Earnings, including gains and losses, on your HSA will not be subject to federal income taxes until they are considered distributed.

3. **Ordinary Income Taxation.** Your taxable HSA distribution is usually included in gross income in the distribution year.

**Estate and Gift Tax.** The designation of a beneficiary to receive HSA distributions upon your death will not be considered a transfer of property for federal gift tax purposes. Upon your death, the value of all assets remaining in your HSA will usually be included in your gross estate for estate tax purposes, regardless of the named beneficiary or manner of distribution. There is no specific estate tax exclusion for assets held within an HSA.

**Federal Income Tax Withholding.** If federal withholding is applicable, the custodian may require the completion of a withholding election document.

**Annual Statements.** Each year we will furnish you and the IRS with IRS-required statements reflecting the activity in your HSA.

**Federal Tax Penalties.** Several tax penalties may apply to your various HSA transactions, and are in addition to any federal, state, or local taxes. Federal penalties and excise taxes are generally reported and remitted to the IRS along with your federal income tax return. The penalties may include any of the following taxes:


1. **Additional Tax.** Any amount of a distribution not used exclusively to pay for qualified medical expenses of you, your spouse, or your dependents is subject to an additional 20 percent tax on the amount includable in your gross income, except in the case of distributions made after your death, your disability, or your attainment of age 65. In addition, any failure to meet a required testing period resulting in amounts includable in gross income will make such amounts subject to an additional 10 percent tax.

2. **Excess Contribution Penalty Tax.** If a contribution to your HSA exceeds the amount you are eligible for, you have an excess contribution, which is subject to a 6 percent excise tax. The excise tax applies each year that the excess contribution remains in your HSA.

If you have additional questions, contact a BMO Harris Banker, visit a convenient BMO Harris Bank branch or visit us online.

**Contact us**

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# Health Savings Account (HSA) application

## Important information about procedures for opening a new account

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for me: When I open an account, I will be asked to provide my name, address, date of birth, Social Security Number and other information that will allow you to identify me. All information for the Health Savings Account (HSA) owner must be completed and returned before an account can be established.

Employer name

Naperville Community Unit School 203

Company code

1000050

Custodian: BMO Harris Bank N.A.  
Attention: HSA Operations

Mailing Address:  
BMO Harris Support Services Corp.  
180 N. Executive Dr.  
Brookfield, WI 53005

## HSA owner information

Name			Email (optional)		Daytime phone number	
Street address (no post office box)			Social Security Number (SSN)			
City			Date of birth		Gender	
State					<input type="checkbox"/> Male <input type="checkbox"/> Female	
Zip						

## Designation of beneficiary

At the time of my death, the primary beneficiaries named below will receive my HSA assets. If all of my primary beneficiaries die before me, the contingent beneficiaries named below will receive my HSA assets. In the event a beneficiary dies before me, such beneficiary's share will be reallocated on a pro-rata basis to the other beneficiaries that share the deceased beneficiary's classification as a primary or contingent beneficiary. If all of the beneficiaries die before me, my HSA assets will be paid to my estate. If no percentages are assigned to beneficiaries, or if the percentage total for any beneficiary classification exceeds 100 percent, the beneficiaries in that beneficiary classification will share equally. If the percentage total for each beneficiary classification is less than 100 percent, any remaining percentage will be divided equally among the beneficiaries within such class. This designation revokes and supercedes all earlier beneficiary designations that may apply to this HSA.

### A. Primary beneficiary

Percentage	Name of beneficiary	SSN or Taxpayer Identification Number (TIN)	Relationship to HSA owner
%			
%			
%			
<b>Total</b>	<b>100%</b>		

### B. Contingent beneficiary

Percentage	Name of beneficiary	SSN or Taxpayer Identification Number (TIN)	Relationship to HSA owner
%			
%			
%			
<b>Total</b>	<b>100%</b>		

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## Spousal consent

HSA owner initials

\_\_\_\_\_

**I Am Married.** I understand that if I designate a primary beneficiary other than my spouse, my spouse must consent by signing below.

HSA owner initials

\_\_\_\_\_

**I Am Not Married.** I understand that if I marry in the future, I must complete a new Designation of Beneficiary form, which includes the spousal consent documentation.

I am the spouse of the HSA owner. Because of the significant consequences associated with giving up my interest in the HSA, the custodian has not provided me with legal or tax advice, but has advised me to seek tax or legal advice. I acknowledge that I have received a fair and reasonable disclosure of the HSA owner's assets or property, including any financial obligations for a community property state. In the event I have a legal interest in the HSA assets, I hereby give to the HSA owner such interest in the assets held in this HSA and consent to the beneficiary designation set forth in the "Designation of beneficiary" Section.

Signature of spouse

Date

\_\_\_\_\_

Signature of witness (required)

Date

\_\_\_\_\_

(Witness cannot be the HSA owner or beneficiary of this HSA)

## Signatures

I certify that (i) I am covered by a qualified high deductible health plan (HDHP), (ii) I am not also covered by any other health plan that is not an HDHP with certain exceptions for plans providing preventative care and limited types of permitted insurance and permitted coverage, (iii) I am not enrolled in Medicare and (iv) I cannot be claimed as a dependent on another person's tax return. I certify that the information provided by me on this Application is accurate, and that I have retained a copy of the Application and the IRS Form 5305-C, *Health Savings Custodial Account*. I agree to be bound by the terms and conditions found in the Application, Health Savings Custodial Account, Health Savings Account Disclosure Statement and amendments thereto. I assume sole responsibility for all consequences relating to my actions concerning this HSA. I have not received any tax or legal advice from the custodian, and I will seek the advice of my own tax or legal professional to ensure my compliance with related laws. I release and agree to hold the HSA custodian harmless against any and all claims or losses arising from my actions related to my HSA.

### I have read, understand and agree to the following:

1. To establish automated contributions, I authorize the custodian to provide my EMPLOYER and/or EMPLOYER-APPOINTED THIRD PARTY BENEFITS PLAN ADMINISTRATOR (TPA) with my new HSA account number. I understand that my HSA account number will not be assigned until the custodian has completed my HSA enrollment. I further authorize my EMPLOYER and TPA to provide my personal information to, or confirm that information with, the custodian.
2. I understand that HSA enrollment is subject to custodian approval and authorize the custodian to notify me, my EMPLOYER and/or TPA if an ACH deposit cannot be completed for any reason.
3. I understand that this product is available with a debit card. Therefore, in applying for this product I am requesting a BMO Harris Bank HSA Debit MasterCard® card be sent to me once my HSA is established. I may elect to purchase personalized HSA checks once my HSA has been established.

Signature of HSA owner

Date

\_\_\_\_\_