

5 MYTHS

About Pre-Tax Benefit Accounts

Pre-tax employee benefits can deliver major savings for employees and provide a great incentive for prospective hires. But those benefits only offer value if employees understand and take advantage of these programs. Here are a few myths - and facts - about pre-tax benefits.

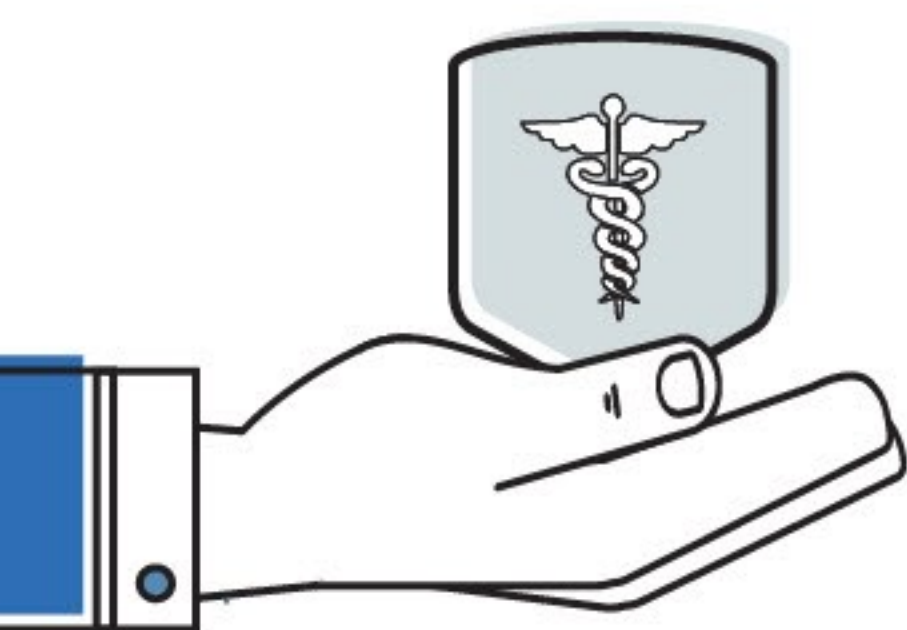
HSA COVERAGE

Myth: A Health Savings Account (HSA) only covers individuals covered by the qualified health plan.

Fact: HSAs can cover any qualifying spouse or tax dependent, regardless of their enrollment in the qualified health plan. However, adult children who are covered but file independently would not be covered by the HSA.



AUTOMATIC HRA COVERAGE



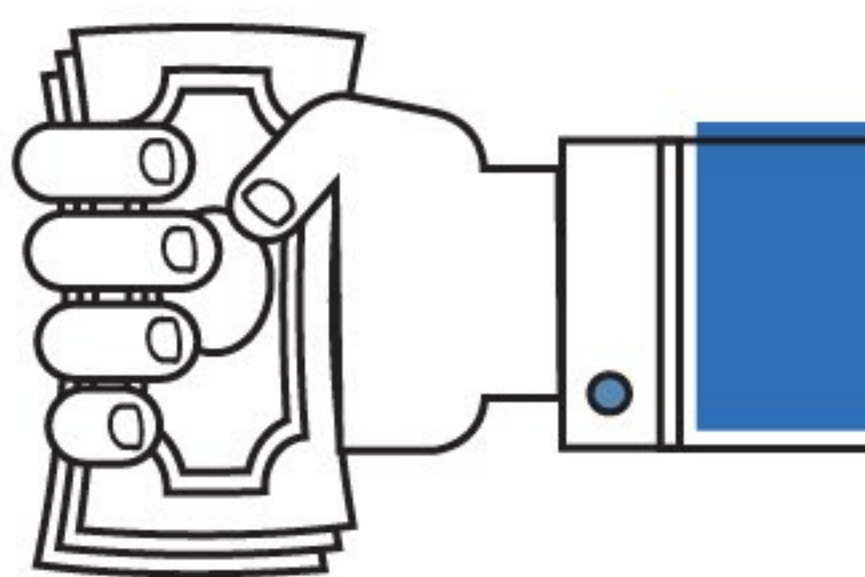
Myth: You, your spouse, and your dependents are automatically covered by a Health Reimbursement Account (HRA).

Fact: Your HRA covers anyone - you, your spouse, eligible dependents, etc. - who is also covered by a group health plan and listed as an eligible dependent on your HRA.

HRA FUND DEPOSITS

Myth: You can deposit funds directly into your HRA.

Fact: Your employer makes tax-free contributions to your HRA, which you, as an employee, can use to cover certain medical expenses.



HSA FUND ROLLOVER



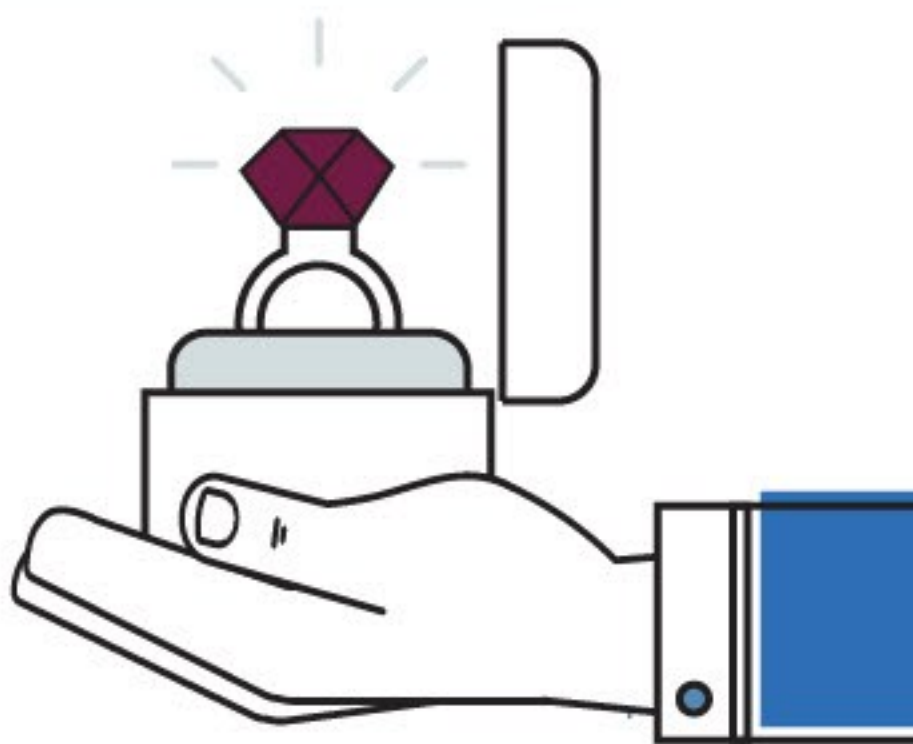
Myth: You'll lose your HSA funds if you don't use them, or your employer decides not to roll them over, by the end of the year.

Fact: Your HSA funds roll over automatically each year and go with you if you change jobs.

CHANGING YOUR HSA

Myth: You can only change your HSA contribution amounts following a life event - marriage, childbirth, family death, etc.

Fact: HSA contribution amounts can be changed at any time for any reason, although your employer can restrict changes to one per month for administrative reasons.



Benefit Resource, Inc. can be your partner to deliver high-quality pre-tax employee benefits to your workforce, as well as give them the information they need to increase awareness. Find out more at www.BenefitResource.com.