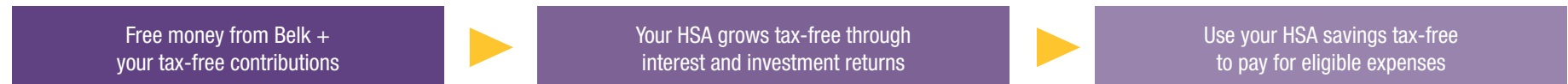


## HOW THE HEALTH SAVINGS ACCOUNT WORKS

**New** ConnectYourCare will administer your health savings account (or HSA) in 2019. The HSA is a tax-advantaged account and, no matter what plan you choose, you'll receive free money from Belk for your HSA. You use the HSA to save for current and/or future eligible medical expenses because your HSA belongs to you forever – even if you leave Belk.



## MAKING CONTRIBUTIONS TO AN HSA

You can voluntarily contribute to your HSA each pay period through pre-tax payroll deductions (state taxes may apply), as long as you do not exceed the IRS annual maximum. Plus, you can earn more money for your HSA by completing certain wellness incentives. The table below shows how contributions can be made to your HSA.

	Premier	Standard	Basic	Premier	Standard	Basic
<b>Total allowed by the IRS in 2019</b>	<b>\$3,500</b> Associates age 55 and over <sup>1</sup> : \$4,500			<b>\$7,000</b> Associates age 55 and older <sup>1</sup> : \$8,000		
<b>How Belk can help you reach the annual maximum</b>						
Belk's annual contribution, paid in four installments <sup>2</sup>	\$300	\$500	\$300	\$600	\$1,000	\$600
Belk's annual wellness incentive contribution, generally paid in the month following completion	Up to \$500	Up to \$500	Up to \$500	Up to \$800	Up to \$800	Up to \$800

<sup>1</sup> Associates age 65 and over who are enrolled in Medicare are ineligible to make HSA contributions.

<sup>2</sup> Installments are paid in January, April, July and October. You must be enrolled and actively employed on January 1, April 1, July 1 and October 1 to receive payments. Funds will be issued by the end of the month and you must be actively employed at the time payment is issued.

By completing certain wellness activities, you have the ability to earn up to \$500 for your HSA, plus your spouse/domestic partner can earn an additional HSA contribution of up to \$300. You can contribute additional money into your HSA, up to the IRS limits listed above. The annual limit includes your contributions, Belk's contributions and any money earned through the wellness platform. If you want to change your HSA contribution amount, you can make the change in Workday anytime during the year.



## HSA EXAMPLE

John enrolls in the Standard plan with coverage only for himself, and he earns the maximum HSA contribution by earning wellness incentives.

Here's how John's HSA contributions can add up:

	Associate Only Coverage
	Standard
<b>Total annual HSA contribution</b>	<b>\$3,496</b>
<b>\$3,500 annual maximum HSA limit</b>	
Belk's annual contribution	\$500
John's wellness incentives earned through Healthy Outcomes	\$500
John's contribution of \$96 biweekly	\$2,496

To ensure he doesn't exceed the maximum HSA limit, John cannot contribute more than \$96 biweekly. That's because he needs to include Belk's automatic HSA contribution and the wellness incentives he earned.

**Note:** If an associate elects to have money deposited into their HSA with each pay period, the annual minimum is \$130.

Check out the *HSAs for Dummies* digital reference book available at [www.mybelkbenefits.com](http://www.mybelkbenefits.com).



## LET'S LOOK AT EXAMPLES OF HOW YOU CAN GROW YOUR HSA SAVINGS BY ENROLLING IN DIFFERENT PLANS



Standard biweekly = \$76.97  
Premier biweekly = \$111.63

### Let's say you only want coverage for yourself:

If you enroll in Standard and put the difference in premiums in your HSA, you'd have around **\$901** after just one year.



Standard biweekly = \$259.89  
Premier biweekly = \$361.31

### Or perhaps you'd like to cover yourself and your family:

If you put the premium difference between the Standard Plan and the Premier Plan in your HSA – in one year, you'd have **\$2,636** in your account!

## MORE ABOUT HSAs

### BANK ON YOUR HEALTH WITH AN HSA

An HSA offers many benefits:

- You receive an automatic contribution from Belk if you're enrolled and actively employed in a Belk medical plan at the time of payout
- You can earn additional contributions through participation in the Healthy Outcomes wellness platform
- You make tax-free contributions, and when you take money out to pay for eligible health care expenses, it's also tax-free (state taxes may apply)
- Your account balance grows as it earns interest, and once the balance reaches \$1,000, you can invest it in select mutual funds
- You own your HSA for life (even if you leave Belk), and any money you don't use rolls over into the next year

### HSA ELIGIBILITY REQUIREMENTS

- You must be enrolled in a high deductible health plan (HDHP)
- You cannot be covered by another health insurance plan (such as your spouse's or domestic partner's plan)
- If you are enrolled in Medicare, you cannot contribute to an HSA
- You cannot be claimed as a dependent on another person's tax return
- Your spouse cannot participate in his or her employer's health care flexible spending account (FSA)
- You cannot use your HSA funds to cover expenses for your domestic partner or for your domestic partner's dependents
- For eligible HSA expenses, a tax dependent is eligible until reaching age 19 (or if a student, age 24)



#### Idea – Start Growing Your HSA Today

Think about your actual health care costs and your expected needs. Consider how using an HSA with your plan gives you the coverage you need and lets you save for future costs, whenever they occur.



#### Top Tip

During Open Enrollment, you'll see a notification that Belk is coordinating and covering the costs of transferring your HSA from Bank of America to ConnectYourCare. This way, you'll only need to manage one account. If you want your HSA to remain with Bank of America, contact HR Shared Services at 1-800-588-3700. You'll pay monthly account management fees for your account(s) remaining at Bank of America.

**NEW** YOUR CONNECTYOURCARE HSA

ConnectYourCare will mail you a Welcome Kit with activation information shortly after you enroll in a Belk medical plan. After you receive your Welcome Kit, you can go online at [www.connectyourcare.com](http://www.connectyourcare.com) to set up your user ID and password. If you elect during Open Enrollment to make contributions to your HSA (in addition to the seed money provided by Belk, or any wellness incentives you may earn), payroll deductions begin with your first paycheck in 2019, as long as your account is active. If you are hired after Open Enrollment and you elect to contribute to your HSA – or choose to change your contribution amount during 2019 – payroll deductions will begin within one to two pay periods.

ConnectYourCare will provide you with a debit card so you can pay for health care expenses. You can use your debit card at most pharmacies and physician’s offices where VISA is accepted.

Here are some valuable tips for when you use your HSA debit card:

- Save your receipts in case you need to substantiate your claim to the IRS in the future.
- Your HSA account balance must have enough funds for your expense to be paid. If not, the transaction may not be processed correctly or you could be charged an overdraft fee, or both.
- Make sure you receive network discounts before paying an expense from your HSA.
- Order additional debit cards and submit claims online at [www.connectyourcare.com](http://www.connectyourcare.com).

**Did you know?** Since an HSA is considered an individual bank account, Section 326 of the USA PATRIOT Act requires that your identity be verified. When you open an HSA, you must provide your name, street address (physical address – not a PO Box), date of birth, Social Security number, citizenship status and employment details for verification purposes.



**Helpful Hint – Enrolling in Medicare when you have an HSA**

When you enroll in Medicare, you can no longer make contributions to your HSA. If you become Medicare-eligible and enroll in Medicare during the calendar year, please contact HR Shared Services at 1-800-588-3700 to have future contributions canceled. You can continue to use the funds in your HSA to help pay for medical expenses, such as deductibles, premiums, copayments and coinsurance. If you use the account for qualified medical expenses, it will continue to be tax-free.

