

# COMPARE ALTERNATIVE FUNDING SOLUTIONS FOR YOURSELF

	HEALTH SAVINGS ACCOUNT (HSA)	HEALTH REIMBURSEMENT ARRANGEMENT (HRA)	FLEXIBLE SPENDING ACCOUNT (FSA)
<b>ENACTING LAW/IRS CODE</b>	Enacting Law: Medicare Modernization Act of 2003	IRS Code: Section 105	IRS Code: Section 125
<b>WHO OWNS THE ACCOUNT?</b>	Eligible employee	Employer	Eligible Employee
<b>WHO FUNDS THE ACCOUNT?</b>	Eligible employee, employer and/or other individuals on behalf of eligible employee	Employer	Eligible employee or employers
<b>HOW IS THE ACCOUNT FUNDED?</b>	Deposited directly into account	"Zero-balance account." This is not a true account but an agreement or "IOU" by an employer to pay a portion of qualified medical expenses.	Via payroll deduction; claims are generally paid as they are submitted by employee.
<b>IS THERE A MAXIMUM CONTRIBUTION PER YEAR?</b>	Individual limit is \$3,050 in 2010 and 2011. Family limit is \$6,150 in 2010 and 2011.	No statutory limit. Simply an arrangement where employer pays medical expenses.	No statutory limit. Employers generally set annual plan limit.
<b>IS IT A PERSONAL ACCOUNT?</b>	Yes	Yes	Yes
<b>DOES IT ACCRUE INTEREST?</b>	Yes, tax free	No	No
<b>WHAT TYPE OF HEALTH PLAN IS REQUIRED, IF ANY?</b>	The minimum deductible for individual is \$1,150 is \$1,200 in 2010 and 2011. The minimum for family coverage is \$2,400 in 2010 and 2011. The maximum annual out-of-pocket amount for individual coverage is \$5,950 in 2010 and 2011 and family coverage is \$11,900 in 2010 and 2011.	No requirements	No requirements
<b>CAN FUNDS BE USED TO PAY FOR NON-QUALIFIED EXPENSES?</b>	No. Funds used for non-medical expenses are taxed and/or penalized <i>Qualified expenses include more than medical.</i>	Funds may not be used for non-qualified medical expenses.	No. Funds used for non-medical expenses are taxed and/or penalized.
<b>WHAT IS THE TAX TREATMENT?</b>	Contributions are 100% tax deductible. Funds spent on medical expenses are tax free for life. At 65, funds used to supplement income are tax-deferred.	Funds used to pay for health expenses are not reported as income.	Contributions are 100% tax deductible; funds spent on health expenses are tax-free (no rollover).
<b>IS THERE A "CATCH UP" PROVISION?</b>	\$1,000 can be contributed and rollovers will be permitted.	No	No
<b>ADVANTAGES</b>	<ul style="list-style-type: none"> <li>» Raises employee awareness of the costs of health care services</li> <li>» Tax advantages for employer and employees; account dollars and interest are 100% tax-free when used for eligible medical expenses</li> <li>» Portable—employees own the account</li> <li>» Savings/Growth Opportunity—gives employees their own account to pay for long-term health care costs, grows over time</li> </ul>	<ul style="list-style-type: none"> <li>» Gradually raises employee awareness of the cost of health care services</li> <li>» Tax-advantaged employer-funded accounts help pay for day-to-day expenses</li> <li>» Allows 'employer pay first' or 'employee pay first' plan designs</li> <li>» Competitive administration rates</li> </ul>	<ul style="list-style-type: none"> <li>» Reduces taxable payroll by reducing your employees' taxable income and reduced employer payroll taxes</li> <li>» Employees increase take-home pay</li> <li>» Start a Premium Only Plan (POP) at any time during the year</li> <li>» First-year tax savings are generally greater than the cost of plan implementation</li> <li>» Competitive administration rates</li> </ul>
<b>COSE OFFERINGS</b>	<p>Six Plan Choices:</p> <ul style="list-style-type: none"> <li>» COSE HSA SuperMed Plus 1500</li> <li>» COSE SuperMed Plus 2000/4000</li> <li>» COSE HSA SuperMed Plus 2500/100</li> <li>» COSE HSA SuperMed Plus 3000/100</li> <li>» COSE HSA SuperMed Plus 4000/100</li> <li>» COSE HSA SuperMed Plus 5000/100</li> </ul> <p><i>All have 100% preventive care coverage, not subject to deductible. All utilize the SuperMed Plus network of providers.</i></p>	<ul style="list-style-type: none"> <li>» COSE HRA SuperMed Plus 1000/3000</li> <li>» COSE HRA SuperMed Plus 2000/6000</li> <li>» COSE HRA SuperMed Plus 2500/5000</li> <li>» COSE HRA SuperMed Plus 3000/9000</li> </ul> <p><i>All have 100% preventive care coverage, not subject to deductible. All utilize the SuperMed Plus network of providers.</i></p>	<ul style="list-style-type: none"> <li>» Premium Only Plan (POP)</li> <li>» Flexible Spending Accounts</li> <li>» Daycare (Child and Elder) Accounts</li> <li>» Adoption Assistance Accounts</li> <li>» Commuter Benefits Accounts</li> </ul>
<b>COSE SERVICES PROVIDED BY:</b>	HSA compatible insurance plans offered through Medical Mutual of Ohio; HSA accounts held by financial institution of employee's choice	Medical Mutual of Ohio	FlexSave provide by Medical Mutual of Ohio

The information presented is related to the 2010 - 2011 calendar year.