

BANKING LOCATIONS

BIG SANDY

108 E. Broadway • (903) 636-4344

BULLARD

210 N. Houston • (903) 894-6148

EMORY

610 W. Lennon • (903) 473-3412

GARRISON

583 South US 59 • (936) 347-2494

GILMER

1208 N. Wood • (903) 843-5574

GRAND SALINE

139 N. Main • (903) 962-4291

JACKSONVILLE

200 E. Commerce • (903) 586-1526

JACKSONVILLE DRIVE IN

100 W. Commerce • (903) 586-1526

SOUTH JACKSONVILLE

1700 S. Jackson • (903) 589-8800

LONGVIEW

3400 W. Marshall • (903) 759-3828

LONGVIEW - LOOP

308 E. Loop 281 • (903) 758-8515

MARSHALL

1210 E. Pinecrest • (903) 935-2566

NACOGDOCHES

3120 North Street • (936) 559-5500

RUSK

401 N. Main • (903) 683-2254

TIMPSON

352 Jacob St. • (936) 254-2494

TROUP

507 W. Duval • (903) 842-3188

TYLER - DOWNTOWN

305 S. Broadway • (903) 595-6585

TYLER - MED CENTER

611 S. Beckham • (903) 592-7933

TYLER - SOUTH

5515 Old Bullard Rd. • (903) 561-5400

TYLER - WEST

1230 Loop 323 SSW • (903) 526-2220

VAN

766 W. Main • (903) 963-8691

WHITEHOUSE

100 Horton • (903) 839-4321

BANK BY PHONE

(903) 586-2265 or 1-888-758-BANK

ONLINE BANKING

www.austinbank.com

This brochure is effective for tax-year 2005 and thereafter. This brochure is intended to provide general information concerning federal tax laws governing HSAs. It is not intended to provide legal advice or to be a detailed explanation of the rules or how such rules may apply to your individual circumstances. For specific information, you are encouraged to consult your tax or legal professional. The IRS's web site, www.irs.gov, may also provide helpful information.

**Austin
Bank**

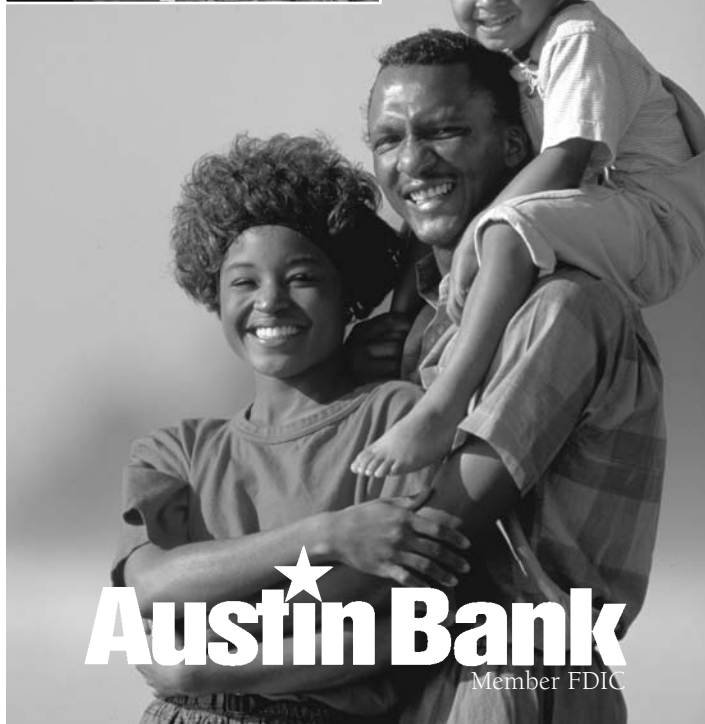
Member FDIC

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HSA

Health Savings Account

Answers to your HSA questions



**Austin
Bank**

Member FDIC

What is a Health Savings Account?

A Health Savings Account (HSA) is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses of you and your family.

Am I eligible for a HSA?

You are eligible to make or receive a HSA regular contribution if, with respect to any month, you:

- Are covered under a high-deductible health plan (HDHP);
- Are not covered by other health insurance (does not apply to specific injury insurance and accident, disability, dental care, vision care, long-term care);
- Are not entitled to benefits under Medicare, and;
- May not be claimed as a dependent on another individual's tax return.

What is a HDHP?

A HDHP is a plan with an annual deductible of at least \$1,000 for individual coverage or \$2,000 for family coverage. These amounts are subject to cost-of-living adjustments (COLAs).

Are there other requirements for the HDHP?

Yes. For HSA purposes, the HDHP must limit out-of-pocket expenses. The maximum out-of-pocket expenses, which include money applied to your deductible and your coinsurance for covered charges, must be no more than \$5,000 for individual coverage and no more than \$10,000 for family coverage. These amounts are subject to COLAs.

Who can contribute to my HSA?

If you meet the eligibility requirements for a HSA, you, your employer, and your family members may contribute to your HSA. This is true whether you are self-employed or unemployed.

How much can I contribute to my HSA?

The maximum annual contribution amount is generally the lesser of 100 percent of the annual deductible under the HDHP or a specified amount (subject to COLAs).

For 2005, the specified amount is \$2,650 for individual coverage and \$5,250 for family coverage.

Additionally, a "catch-up" contribution is available for eligible individuals who have attained age 55 by the end of their taxable year but have not attained age 65. The chart that follows shows these additional amounts.

CATCH-UP CONTRIBUTION

Tax Year	Catch-up Account
2005	\$600
2006	\$700
2007	\$800
2008	\$800
2009	\$1,000

What are the federal tax benefits of a HSA?

Contributions to a HSA are fully deductible, the earnings grow tax deferred, and distributions for qualified medical expenses are tax free. **Consult with your tax or legal professional for guidance.**

When is the contribution deadline for funding a HSA?

Regular and catch-up HSA contributions can be made at 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.

Austin Bank HSA information:

Minimum to open:	\$100.00
Account set-up fee:	\$15.00 (one time fee)
Monthly maintenance fee:	\$5.00 if minimum balance is below \$100.00
Interest rate:	Accrues daily on the actual collected balance. Paid quarterly at Now Account rates. Set periodically.