Freedom HSA™

- ✓ Save with your qualified HDHP
- ✓ Contribute to your HSA
- ✓ Invest HSA contributions
- ✓ Save money at tax time

A qualified high deductible health plan, *the Freedom HSA and you!*

A health savings account (HSA) can help to capitalize on your health care dollars! When you combine a qualified high deductible health plan and a tax-qualified HSA, you can accumulate money to cover qualified health care expenses tax-free. You earn interest on your account, which can be used as a nest egg for future medical costs or for taxable retirement income. Join the more than 4.5 million people that have realized the value of an HSA since 2004.

SecurePath™ by Transamerica, a service of Transamerica Retirement Management, Inc. Freedom HSA contracted with SecurePath by Transamerica to bring you simple, quality investment strategies to fit your HSA needs by offering Transamerica Asset Allocation Portfolios. While the Freedom HSA provides interest on your basic deposit account balance, investing your HSA dollars provides tax-deferred market growth potential.

Investment accounts are not insured by FDIC, NCUA/NCUSIF or any federal government agency. Accounts may lose value. Investments are not a deposit or guarantee by any bank, bank affiliate or credit union.

www.freedomhsa.org 1-866-566-2702

Why an HSA?

- Contributions are tax-deductible - reduce your taxable income!
- Money can be withdrawn tax-free for qualified out-of-pocket medical expenses and other expenses not covered by your health insurance such as: deductibles, eye exams, glasses, over-the-counter medications, long term care insurance premiums and much more!
- Money not withdrawn before age 65 can be used for retirement income subject to ordinary income taxes!

Why the *Freedom HSA*?

- Ease of set-up and use when you keep your savings account and medical coverage within the same company
- You choose how to access your account – online or through our friendly customer service representatives
- Online, real-time review of your account balances and activity
- Easy access to your money for medical or other qualified withdrawals using the Benny™ debit card or automatic bank withdrawal
- Competitive interest rates on accounts with balances of $500 or more
- Investment options for accounts with balances of $3,000 or more

Who can have an HSA?

Anyone insured by a qualified high deductible health plan that is 18 to 64 years old and cannot be claimed as a dependent on someone else's tax return may set up and contribute to an HSA. You may keep your account for your lifetime.

How much can I contribute to my HSA?

The maximum contribution for 2008 is $2,900 for individuals and $5,800 for families. With the Freedom HSA, you can make deposits into your account through automatic bank deposits or by submitting a check to your account.

Persons age 55 and older may make an additional "catch-up" contribution of $900 in 2008 and $1,000 in 2009 and thereafter.

How do I withdraw money from my HSA?

With the Freedom HSA, you have three options for withdrawal;

1. Online withdrawal through the secure Web site,
2. Benny™ debit card, or
3. Call toll-free and request a check be issued to you from your account.

Be sure to keep your medical expense receipts!

Qualified medical expenses must be incurred on or after the date the account was established. For example, if you open your account in August, you are not able to use the funds for medical expenses incurred the prior June.

Who determines if the funds I withdraw are used for a qualified expense?

You are responsible for determining if the expense is qualified. When you open your account, you will be provided a list of qualified services and the list can also be found at *www.freedomhsa.org*.

Does my HSA earn interest?

Yes! Competitive interest rates are available on balances of $500 or more. Current rates can be found at *www.freedomhsa.org*.

Can I invest my HSA dollars?

Yes! Transamerica Asset Allocation Portfolios are available through SecurePath by Transamerica with a minimum Freedom HSA account balance of $3,000. However, $2,000 must remain in your basic deposit HSA account after each investment transaction. The minimum initial investment is $500 and subsequent investment transactions require a minimum of $100. See the investment section of this guide for full details.

Who can contribute to my HSA?

Anyone can put money into your account, including but not limited to family members and employers. Please consult a tax professional as to the tax deductibility of funds not contributed by you, the account owner.

Can I use my HSA dollars for expenses not covered by my health plan?

Yes! It is your money and you can take it out at any time. Qualified expenses include things such as health plan deductible, coinsurance, LASIK, dental care, over-the-counter medications and much more! If you use HSA dollars for non-qualified expenses, you will be subject to ordinary income taxes on the amount and may be subject to a 10 percent federal tax penalty. You cannot use your HSA funds to pay your health insurance premiums.

What happens to the money in my HSA if I turn age 65, no longer have a qualified health plan or pass away?

Any money deposited into your account is yours and will remain in your account until you decide to withdraw it. At age 65, your HSA can be withdrawn for retirement income, which will be subject to ordinary income tax. However, the 10 percent federal tax penalty for withdrawing funds for non-qualified expenses no longer apply. In the event of your death, your named beneficiary determines what will happen with the HSA. If your spouse is your beneficiary, the account will be treated as your spouse's HSA account after your death. If your beneficiary is your estate or anyone other than a spouse, the account terminates and distributions are subject to any applicable taxes.

What are the account fees?

The standard account fees are very competitive - $2.50 per month for administration. There is a $10.00 replacement fee if the Benny™ debit card is lost and must be replaced.

Investment options with your Freedom HSA!

Put your money to work.

Based on your HSA deposits and use of funds, your account may accumulate a sizable amount. You have the option of investing in certain mutual funds, which allow you the potential for market growth.

With an experienced investment team.

SecurePath by Transamerica provides simple, quality investment strategies to fit your needs. Transamerica Asset Allocation Portfolios utilize the knowledge and experience of Morningstar Associates, LLC, a registered investment advisor and wholly owned subsidiary of Morningstar, Inc. for strategic allocation, fund selection and portfolio construction. Morningstar Associates is not acting in the capacity of an advisor to individual investors.

Freedom HSA Investing is easy.

Eligibility for the Freedom HSA investment options is determined by your account balance. Once your HSA account has reached a balance of at least $3,000, you may decide to move a portion of your HSA dollars to an investment account available through SecurePath by Transamerica. The initial investment must be at least $500 and subsequent investments must be at least $100. After each investment, your traditional Freedom HSA account must retain at least $2,000.

Track your investments online – You will be able to track your account balance online at *www.freedomhsa.org*. You will have access to the Transamerica Asset Allocation Portfolios investment portal and the ability to view investment details and make exchanges between available mutual funds.

Move money with ease – All HSA contributions for investment must be credited first to your base HSA account. Your initial investment elections will be made on your investment account application. Additional investment elections can be made online or by fax.

Transamerica Asset Allocation Portfolios: Professional Integration of Multiple Managers

Since the inception of Transamerica Funds in 1985, they have engaged a variety of investment firms to manage their mutual funds, based on the conviction that no single firm can be the best at managing all investment styles all the time. Accordingly, for each of the funds, they hire a firm they believe has the requisite experience and expertise for the fund type. They then bring these diverse managers and funds together in the fund-of-funds. This multi-manager structure provides:

- Specialized management and research capabilities for each type of fund.
- Highly educated, experienced and reputable portfolio managers.
- Diversifications of research, investment strategies, philosophies, processes and ideas – all professionally allocated and integrated within each fund-of-funds.

Before investing, investors should carefully consider their investment objectives and the risks, charges and expenses associated with the mutual funds. The prospectus contains this and other information about the funds. Visit Transamerica Asset Allocation Portfolios at www.transamericainvestments.com or call 1-866-729-5288 for a prospectus and read it carefully before investing.

Mutual funds are subject to market risk, including the loss of principal.

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