

HEALTH SAVINGS ACCOUNTS

A smarter way to pay for health care.

When it comes to rising health care costs, the more you can minimize your expenses, the better. That's why First Niagara offers Health Savings Accounts that work with High-Deductible Health Plans offered by employers. This combination of lower premiums and tax-deferred savings provides for quality health care coverage that puts less strain on your budget.



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First Niagara offers comprehensive products and services that can help you meet your financial goals. Please don't hesitate to call us at 1-800-421-0004, visit our web site at FirstNiagara.com, or talk to our knowledgeable staff. We welcome the opportunity to tell you more about:

PERSONAL BANKING

- Checking Accounts
- Online Banking and Online Bill Pay
- MasterCard® Debit and Credit Cards
- Home Equity Solutions
- Saving Options
- Consumer Loans
- Mortgage Solutions
- Branch and ATM Options
- Telephone Banking
- Investment Options*
- Personal Insurance**

BUSINESS BANKING

- Business Checking
- Business Savings
- Commercial Loans and Lines of Credit
- MasterCard® Business Debit and Credit Cards
- Online Banking
- Commercial Mortgages
- Cash Management
- Merchant Services
- Equipment Leasing
- Commercial Insurance
- Employee Retirement Plans

*Securities and investment advisory services are offered through LPL Financial, member FINRA/SIPC and an SEC Registered Investment Advisor. First Niagara Bank, N.A. and First Niagara Investment Services are not registered broker/dealers and are not affiliated with LPL Financial.

Members of the First Niagara Financial Group do not offer tax advice. Please consult a tax advisor.

**Insurance products are available through: 1) First Niagara Risk Management, Inc. a wholly-owned subsidiary of First Niagara Bank, N.A. and 2) LPL Financial and its affiliates.

The obtaining of insurance through any member of the First Niagara Financial Group will not have any bearing on any existing or future transaction or relationship with First Niagara Bank or any other member of the First Niagara Financial Group.

INVESTMENTS AND INSURANCE ARE:

- NOT A DEPOSIT • NOT FDIC INSURED • NOT GUARANTEED BY THE BANK
- MAY GO DOWN IN VALUE • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

For more information about Health Savings Accounts go to www.irs.gov. First Niagara does not provide tax advice. Please consult a tax advisor.

FirstNiagara.com

1-800-421-0004



MEMBER FDIC

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First Niagara Bank



What you need to know about Health Savings Accounts.

WHY CHOOSE A FIRST NIAGARA HSA?

There's never been a better time to take control of your current and future health care expenses — and a First Niagara Health Savings Account (HSA) can help.

AN HSA FROM FIRST NIAGARA

LETS YOU:

- Enjoy triple tax savings: pre-tax contributions, tax-free accumulation of account earnings, and tax-free withdrawals for qualified medical expenses.
- Earn interest on your HSA.
- Accumulate money from year to year.
- Gain control over your health care decisions.
- Enjoy portability.
- Choose a beneficiary to inherit your HSA.

A First Niagara HSA lets you benefit from a wide range of advantages. Plus you'll enjoy the same high quality, client-focused service you've come to expect from the professionals at First Niagara. An HSA from First Niagara offers:

- An interest-bearing account — The higher the balance in your account, the higher your interest rate.
- First Niagara Debit MasterCard® for easy payment.
- \$25 application fee.
- \$5 monthly fee, waived with combined average monthly balance of \$2,500 in First Niagara checking and savings accounts.

PREPARE FOR THE FUTURE WITH AN HSA.

A Health Savings Account is an interest-bearing account with several unique tax-saving features. Money you put into your HSA is tax-deductible and the interest is tax-deferred. And as long as you pay for qualified medical expenses for yourself, your spouse, or your dependents, your HSA withdrawals are tax-free.

Setting up an HSA on your own is just like setting up a traditional savings account or IRA. Open your HSA with a lump-sum payment or arrange to make contributions on a regular basis, including pre-tax payroll deductions. Any money you don't spend during the year is rolled over to the next year.

WHAT ARE QUALIFIED MEDICAL EXPENSES?

Qualified medical expenses include doctors' fees, hospital services not paid by insurance, dental and vision care expenses, and prescriptions, among others. While insurance premiums are generally not qualified medical expenses, you can use HSA funds to pay for long-term care insurance and health coverage if you become unemployed.

ARE THERE ELIGIBILITY REQUIREMENTS?

Yes. To open and contribute to an HSA, you must participate in a qualified high-deductible health plan. You also cannot have other first-dollar medical coverage (although certain other types of insurance are allowed) or be enrolled in Medicare.

HOW MUCH CAN I CONTRIBUTE?

There are annual limits to how much you can contribute to an HSA for individual and family coverage. Periodically, these limits are adjusted for inflation; to understand the most recent limits, visit www.irs.gov. Your employer or a family member may also contribute to your HSA, as long as the total contribution amount doesn't exceed the limit.

If you're age 55 or older, you can make additional catch-up contributions to your HSA to maximize your savings before you turn 65 and become eligible to enroll in Medicare.

You may be eligible to make a one-time, tax-free transfer to your HSA from a Flexible Spending Account, Health Reimbursement Account or Individual Retirement Account. Consult your tax advisor.

ARE THERE OTHER BENEFITS?

Yes. Besides offering you a convenient, tax-smart way to pay for current and future health care needs, HSAs offer other important benefits.

Control – You make all the decisions regarding your HSA. You decide how much to contribute and when. And you choose the medical services you want to pay for from the account. An HSA puts you in control of your health care spending decisions.

Portability – Your HSA is completely portable. The money in your HSA belongs to you, so you can continue to use it to pay qualified medical expenses even if you change jobs or move to another state. The account is transferred to a beneficiary upon your death. If the beneficiary is your spouse, the account continues to be treated as an HSA.

Flexibility – If you have money left in your HSA at the end of the year, it can either stay in the account or be put into a higher earning HSA CD for future use. So any leftover savings will continue to grow on a tax-deferred basis. Use your HSA to cover future medical bills. If you use it for other purposes, taxes and a 10% penalty could apply.