



First Horizon Msaver

Who is First Horizon Msaver?

First Horizon Msaver is a subsidiary of First Tennessee Bank National Association. The corporation initially established its presence in 1997 as the premier administrator of Medical Savings Accounts (MSAs) now Health Savings Accounts (HSAs). Today, the company opens and services Health Savings Account for consumers nationwide. Our continued commitment to customer service and leading edge products has allowed First Horizon Msaver to become one of the nation's premier Health Savings Account experts.

Securing Your Healthcare Future with First HorizonSM is our nationwide trademark that represents our commitment to provide our customers with the best possible Health Savings Account financial products. Our pioneering spirit and dedicated customer support allows our company to experience record growth. Rest assured that not all Health Savings Account administrators are the same. You deserve a secure future.

Why First Horizon Msaver?

- Free Banking Online (rated the best online banking Web site by Speers & Associates)
- Free Bill Pay Online
- Low Monthly Administrative Fee
- No Set-up Fee
- Free Debit Card
- Competitive Interest Rates
- Free Monthly Statements
- Unlimited check writing and debit card privileges
- Automatic monthly deposits from your personal checking account are available
- Free Checks available upon request
- Three investment options

Customer Care can be reached at 866-889-8583 and operates from 7AM-5:30PM CST, Monday-Friday. Our First Link telephonic voice response system is also available to meet our customers' 24 hour needs. There is no additional charge for these services.

HSA Basics

What is a HSA?

A Health Savings Account (HSA) is a tax favored account which you and your employer can make contributions to pay for qualified medical expenses incurred by you, your spouse and any of your dependents. The HSA takes the form of a tax-exempt trust or custodial account.

Why open a HSA?

A HSA is a federally approved tax favored program that allows funds to accumulate tax-free to pay for current and future qualified health care expenses. The HSA is portable; meaning the account always belongs to you providing an excellent savings tool that can be used to cover the rising costs of health care.

How do I utilize my HSA?

It's easy to use the funds in your HSA. HSA funds may be accessed by using checks drawn on your HSA or the HSA debit card. You may pay for qualified expenses directly by using one of these methods. If you have already paid for expenses out of your own pocket, you may reimburse yourself by writing a check out of your HSA. Make sure and keep your receipts.

Can I use my HSA to pay for medical expenses incurred before I establish my HSA?

No. You cannot use funds in your HSA to pay for expenses you incurred before your account was established. It is recommended you open your HSA as close as possible to the effective date of your HSA qualified health plan.

What happens to the funds in my HSA at the end of the year?

The funds in your HSA rollover and continue to grow from year to year. Each year, as long as you are eligible, you are able to continue making the full contribution to your account.



How do I transfer my Medical Savings Account (MSA) or HSA currently at another financial institution, to First Horizon Msaver?

The account holder should contact First Horizon Msaver to request a transfer. First Horizon Msaver will provide the account holder a form to authorize the transfer. The request will be handled directly between First Horizon Msaver and the transferring institution.

Contributing to your HSA

The First Horizon HSA is federally recognized allowing you to make pre-tax or tax deductible contributions to a special interest-bearing account so you can more effectively save money for medical expenses. Both electronic and paper deposits are available. Then when an unexpected medical need arises, you have the means to pay for it separate from your regular family budget.

How much can I contribute to my account?

According to the IRS guidelines, HSA holders may make contributions as follows:

Individual: The maximum contribution for 2007 and 2008 are \$2,850* and \$2,900* respectively.

Family: The maximum contribution for 2007 and 2008 are \$5,650* and \$5,800* respectively.

*Account holders who make a full HSA contributions must remain HSA eligible for one year after benefiting from this special rule; otherwise, they become subject to taxes and penalties.

Catch-up contribution

Individuals age 55 or older and not enrolled in Medicare are eligible to contribute an additional "catch-up" contribution. The amount that may be contributed for the 2007 tax year is \$800.

How do I make contributions to my HSA?

Contributions may be made to your HSA in a variety of methods.

- If you are making pre-tax contributions, the easiest method is through payroll deductions.
- If you would like to make post tax contributions to your account you may:
 - Mail contributions using deposit slips from your HSA checkbook to:
First Horizon Bank
P.O. Box 26106
Shawnee Mission, KS 66210
 - Automatically transfer monthly contributions: Funds are transferred on a specific day each month from your personal checking account.

Will First Horizon Msaver notify me if I've exceeded my allowable contribution amount?

No. It is solely your responsibility to keep track of the contributions deposited into your account. We will to assist you in calculating your maximum contribution.

Qualified Medical Expenses

How do I know what counts as a "QUALIFIED MEDICAL EXPENSE"?

Included is a partial list of qualified medical expenses. You may access a more comprehensive list on the IRS website, www.irs.gov, Publication 502. In order to be considered a qualified medical expense, the expense has to be primarily for the prevention or alleviation of a physical or mental defect or illness. This would include office visits, hospitalization, or prescription drugs.

The following is a partial list of items that are considered qualified medical expenses for Health Savings Account reimbursement. This list is not complete and should serve only as a reference. For complete information, please refer to Internal Revenue Service Publication 502 "Medical and Dental Expenses," or visit www.irs.gov.

Alcoholism treatment

Ambulance

Artificial limb

Artificial teeth

Birth control pills (by prescription)

Chiropractors

Christian Science practitioners

Contact lenses

Crutches

Dental treatment



Dermatologist
Drug addiction treatment (inpatient)
Drugs (prescription)
Eyeglasses
Guide dog
Gynecologist
Hearing aids
Hospital services
Laboratory fees
Life-care fees
Lodging (for outpatient treatment)
Nursing care
Obstetrician
Operating room costs
Ophthalmologist
Optician
Organ Transplant
Pediatrician
Physician

Podiatrist
Post-natal treatments
Prenatal care
Prescription medicines
Psychiatrist
Psychologist
Specialists
Spinal tests
Splints
Sterilization
Surgeon
Phone/TV (hearing impaired)
Therapy
Vaccines
Vasectomy
Vision
Vitamins (prescribed)
Wheelchair
X-rays

Who is responsible for tracking expenses paid from the HSA?

First Horizon MSAVER tracks the total dollar amount spent from the account and provides that information to both you and to the IRS. The form that you will receive reflecting this amount is called a 1099-SA and is sent prior to January 31st. You should maintain copies of your medical receipts to verify how you utilized those funds. You are responsible to the IRS for all types of withdrawals made from your HSA.

What happens if I accidentally use my HSA funds for a non-qualified expense?

If funds in the account are not used for qualified medical expenses, you will need to claim the amount as income on your tax return. That amount will be subject to a 10% penalty if you are under age 65. However, you can avoid taxes and potential penalties if the funds are repaid by April 15th of the year following the year in which you paid for the non-qualified expense(s).

Maintaining Your Account

How can I reimburse myself for expenses paid for outside of my HSA?

As long as you encountered those expenses after you opened your HSA, you may reimburse yourself by writing a check out of your HSA.

Can I access my HSA online?

Yes, you can establish online access by visiting the website listed in the enrollment package letter.

Will I receive a monthly HSA statement?

Yes. As an account holder you will receive monthly statements on your HSA similar to a regular checking account. These statements will show the average balance, closing balance, and any debits or credits to the account.



FEES - HEALTH SAVINGS

Fees and charges in this schedule are effective for First Horizon Health Savings Accounts until changed by us, as reflected in announcements or revisions to this schedule. Account holder agrees to use the special forms obtained from First Horizon MSAVER in order to make contributions and distributions to and from the HSA that should post as something other than standard, current year contributions or distributions.

Minimum Opening Deposit: \$100.00

Monthly Service Charge: No monthly bank fee

Return Check/Overdraft Charges: \$35.00/item
 A charge of \$35 is assessed for each overdraft created by check, in-person withdrawal, ATM withdrawal or other electronic means and for each check drawn on your account that we return (or other order we do not pay) due to insufficient funds. A \$25 Continuous Overdraft Fee is charged on the 15th day and 35th day that an account remains continuously overdrawn.

Charge Back Fee: \$5.00/item
 A charge of \$5 is made for each check you deposit that is returned to us unpaid and debited from your account.

Stop Payments: \$35.00/stop payment request

Cancelled Checks: No charge for Image Statements \$1.00 per month if you choose to receive original cancelled checks with your statements

Account Closure Fee: \$25.00

Banking Online: No Charge
 First Horizon's Banking Online is the fastest and easiest way to do your banking. From nearly any computer with a web browser and an Internet connection, you can:

- View your account balances
- Download your account activity
- Transfer funds between accounts
- Pay bills to virtually anyone with Bill Pay Online
- Receive your monthly statements online

Bill Pay Online: No Charge
 To take advantage of this free service, you need:

- First Horizon's Banking Online
- A computer with a 128-bit encrypted browser that has access to the Internet and secure Web sites.

To enroll or for more information, visit <http://www.gnazhealth.com/>
Touch Tone Bill Payment: \$5.95/ month

Account research and records: \$12.00/hr + 1.00/page

Domestic Wire Transfers

Incoming	\$10.00
Outgoing	\$20.00

International Wire Transfers

Incoming	\$15.00
Outgoing- Less than \$16,000	\$45.00
\$16,000 or more	\$65.00

Automated Teller Machines (ATMS)
 There is no charge to use an HSA Visa Debit® card issued by us for your deposits, cash withdrawals or most balance inquiries at any of our ATMs. A \$1 fee will be charged for QuickStatementsSM. QuickStatement provides a print-out of your last ten transactions (including bank charges) and your available balance. HSA checking accounts are not charged for account transactions using a non-First Horizon ATM and we will rebate the surcharge that you may be charged by the owner of that ATM (or the network it uses) to use its machine.

First Horizon MSAVER, Inc. Monthly Administration Fee: \$2.50



**First Horizon Msaver Introduces
Three ways to maximize the long-term savings capacity of Health Savings Accounts.**

First Horizon Msaver is introducing a triple option investment feature that will help individuals maximize the long-term investment potential for funds in their First Horizon Health Savings Accounts.

This three prong investment feature for your HSA offers both convenience and an extensive choice in investment options as outlined in the diagram below:

Investment Choice	Investments	Monthly Fee	Transaction Fees	Minimum Balance to Begin Investing	Sweep Option
Self-Directed* Brokerage via Trading Desk	Any traded stocks or mutual funds	\$0	Yes.	\$3,000	No
Self-Directed Brokerage via Online Trading**	Any traded stocks or mutual funds	\$0	Yes.	\$3,000	No
Mutual Fund Investment Account	Mutual Funds including Diversified Asset Allocation Funds	\$2.50	No.	\$1,000	Yes

These investment options allow for First Horizon HSA account holders to transfer accumulated funds from the interest-bearing portion of their HSA into one of three types of HSA investment approaches.

New Offering – Mutual Fund Sweep: The mutual fund sweep will provide account holders a fully integrated mutual fund investment option for their HSA. The “investment sweep” option will systematically sweep excess funds from the interest bearing portion of the HSA into a money market mutual fund. The account holder can then select from a menu of mutual funds, make transfers among the funds, and view the mutual fund account on-line.

Account holders will still be able to utilize Self-Directed Brokerage via either a Trading Desk or Trading Online. A self-directed brokerage account provides access to mutual funds, stocks and bonds if they prefer a broader choice of investment options.

“We want to provide our customers with a variety of approaches to how they may meet their future health care needs,” said E. Craig Keohan, president of First Horizon Msaver. “Most people don’t realize how much money they could need to fund their retirement health-care costs,” Keohan said. “Recent studies estimate that someone who retires today at 65 and lives 20 more years could need \$84,000 to \$164,000 to pay for uncovered medical expenses. Our goal is to make available a health savings account program that gives our customers the tools they need to help meet their healthcare expenses.”

FAQ

Q. What are the three choices and how are they different?

- Mutual Fund Investment Account - an account holder who prefers a more automatic approach may have their excess funds systematically swept from the interest bearing checking account into mutual fund shares.
- Self-Directed Brokerage via Online Trading – self-manage a portfolio of publicly traded stocks and mutual funds through an online account.
- Self-Directed brokerage via a Trading Desk – self build and manage a portfolio of publicly traded stocks, bonds or mutual funds through our trading desk at reduced commissions.
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Q. When can I begin to invest funds from my HSA?

- Under the **Mutual Fund Investment Account** option, when the funds in the interest bearing HSA checking account exceed \$1,000 you may begin to have funds over that amount systematically “swept” to invest in the mutual funds you have chosen.
- If you prefer one of the brokerage account options you will need a total of \$3,000 in the HSA checking account. Then you have the option to invest a minimum of \$2,000 through a **Brokerage Account** with First Tennessee Brokerage, Inc.

Q. What is the cost for each option?

- There is a \$2.50/month administration fee for the **Mutual Fund Investment Account**, but no transaction fees. This administration fee is for the systematic sweep of funds from the interest bearing HSA checking account into the mutual funds you have selected whenever the account balance exceeds \$1,000. Please note this \$2.50 monthly fee begins the month you apply for the Mutual Fund Account even if the HSA checking account does not have the minimum balance of \$1,000 to begin utilizing the Sweep.
- Standard and customary brokerage fees apply to the **Brokerage Accounts**. These fees are described in the brokerage account opening information.

Q. What if there is not enough money in the HSA checking to cover a medical expense?

- If you choose the **Mutual Fund Investment Account** your available balance includes any funds within your HSA checking account and the value of any money market mutual fund shares held in the Mutual Fund Investment Account. Funds invested in other mutual funds shares will need to be exchanged for money market shares in order for those funds to be available to pay First Horizon debit card transaction.
- If you maintain a **Brokerage Account** through First Tennessee Brokerage, Inc, you will need to sell a sufficient amount of securities from your account and instruct that the proceeds be transferred to your HSA checking account where they can be accessed by using your First Horizon HSA debit card.

Not a Deposit

Not Guaranteed By the Bank Or Its Affiliates

Not FDIC Insured

Not Insured By Any Federal Government Agency

May Go Down In Value

*Brokerage services provided by First Tennessee Brokerage, Inc. (FTBR). FTBR. is a subsidiary of First Tennessee Bank National Association and its division, First Horizon Bank.

**Online Trading does not permit direct access to securities markets. All orders are executed through FTBR.

System response and account access times vary due to a variety of factors, including trading volumes, market conditions and system performance.

Mutual fund investments in which you invest through these features may incur management fees, administrative services fees and other services. Information regarding these charges and fees are described in the mutual fund prospectus.