



Where People Matter
**NORTHWESTERN
BANK**

202 NORTH BRIDGE STREET • P.O. BOX 49 • CHIPPEWA FALLS, WISCONSIN 54729-0049 • (715) 723-4461

Welcome to Northwestern Bank!

We are excited to help you with your Health Savings Account. Please accept my invitation to consider Northwestern Bank for all of your financial needs. We are a community bank; servicing the Chippewa Valley since 1904. We are proud to be locally owned and managed. Our motto, "Where People Matter", says who we are. We value building relationships with our clients and providing personal service. This has been the cornerstone of the Bank's 110 year history of success.

At Northwestern Bank, we mix traditional banking values with modern products and technology. Whether you need a 30 year fixed rate mortgage or wish to bank via your smart phone, we have you covered. Banking locally does not require you to settle for less. In fact, we make every effort to deliver both service and value. We also have the flexibility to tailor products for your unique situation. Unlike our larger competitors, many of our products and services are free!

A call to Northwestern is answered personally, not with an automated phone service. If you ask for me, I'll be happy to take your call. That's what we do. If you prefer electronics, please visit our website at northwesternbank.com to see what we are all about.

I look forward to meeting you and helping to serve you and your community.

Sincerely,

Jerry Jacobson

ghj@northwesternbank.com



INSTRUCTIONS FOR FILLING OUT THE ATTACHED HSA FORM

Please fill out the form provided and fax to 715-723-0586, or drop off at the Northwestern Bank main desk. Customer Service will call you when the paperwork is ready to be signed.

(Section 1)

A Health Savings Account is an **Individual** ownership.

- The first “**NAME**” section on the sheet is for the owner of the HSA to fill out.

(Section 2)

The owner can appoint someone such as a spouse as a “**SIGNER**” who could write checks or receive a debit card.

- The second “**SIGNER**” section should be filled out if you would like a signer on your account.

(Section 3)

It is mandatory to name at least one Primary Beneficiary and for married couples this must be your spouse unless he/she signs off on a special form.

- “**PRIMARY AND CONTINGENT**”

Wisconsin is a Marital State which means your spouse must be the primary beneficiary unless he/she signs off on a special form.

If your primary beneficiary predeceases you then the HSA would payout to your Contingent Beneficiaries.

(Section 4)

Place a “Check Mark” in front of duplicate checks &/or a debit card if you are interested in having them for your HSA account.

The checks and the debit cards are available at no charge.

The Patriot Act requires that we have identification information on owners and signers. The following identifying information is required to maintain an account with the Northwestern Bank. If we do not receive this information within 45 days of the opening date we will have to close the account.

HEALTH SAVINGS ACCOUNT

(Fax: 715-723-0586)

REQUIRED INFORMATION FOR OPENING AN HSA ACCOUNT

(Section 1)

NAME _____
SOCIAL SECURITY # _____
DATE OF BIRTH _____
DRIVER LIC# _____ **State:** _____
ISSUE DATE _____
EXPIRATION DATE _____
EMPLOYER / JOB TITLE _____
HOME ADDRESS _____
E-MAIL _____
PHONE # _____

(Section 2)

SIGNER _____
SOCIAL SECURITY # _____
DATE OF BIRTH _____
DRIVER LIC# _____ **State:** _____
ISSUE DATE _____
EXPIRATION DATE _____
EMPLOYER / JOB TITLE _____
HOME ADDRESS _____
E-MAIL _____
PHONE _____

(Section 3)

It is mandatory to name at least one Primary Beneficiary and for married couples this must be your spouse unless he/she signs off on a special form.

____ **Primary or** ____ **Contingent Beneficiary (DOB & SS# is not required)**

Name _____ Relationship _____
Date of Birth _____ Social Security# _____

____ **Primary** ____ **Contingent**

Name _____ Relationship _____
Date of Birth _____ Social Security# _____

____ **Primary** ____ **Contingent**

Name _____ Relationship _____
Date of Birth _____ Social Security# _____

(Section 4)

_____ **Order Checks**
_____ **Order Debit Cards**

NORTHWESTERN BANK

Health Savings Account

The interest on your account is tiered as follows:

Minimum Balance	Interest Rate	Annual Percentage Yield
\$.01 – 2,499.99	.40%	.40%
\$ 2,500.00 - 9,999.99	.50%	.50%
\$10,000.00 – and over	.60%	.60%

The interest rate and APY on your account are variable, set by bank discretion and may change at any time. Interest will be compounded daily and credited monthly. If you close your account before interest is credited you will receive the accrued interest. We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal balance in the account each day. Interest begins to accrue no later than the business day when the bank receives credit for a deposit of non-cash items (for example, checks).

ACCOUNT SET-UP FEE is \$25

The minimum balance required to open this account is \$50.00 in addition to the set-up fee.

MONTHLY MAINTENANCE FEE of \$5.00 if the daily ledger balance drops below \$50.00 on any day of the statement cycle.

Free Debit Card is available.

Free HSA duplicate checks and deposits slips. Unlimited check writing is allowed on your account. These checks must be used for HSA Medical Expenses only.

OVERDRAFTS AND OVERDRAFT PROTECTION ARE NOT ALLOWED. If an overdraft occurs, a **handling fee of \$35.00** will be charge against the HSA and the check will be returned.

ALL CORRECTIONS, INCLUDING EXCESS CONTRIBUTIONS, FEE: \$25.00 (per occurrence)

To avoid this charge only make qualified contributions. Eligibility is determined on a monthly basis. All deposits made are reported as a current year contribution and will be reported as such on your 1099SA, unless you contact Customer Service at the time of deposit requesting a change. For advice on your personal situation check with your Insurance, Employer or Tax Agent.

MISTAKEN DISTRIBUTION REDEPOSITS are not accepted.

PREVIOUS YEAR CONTRIBUTIONS: (January 1 – April 15) It is your responsibility to inform us that you are making a contribution for the previous year. A contribution form will need to be signed.

CATCH-UP CONTRIBUTIONS: Eligible individuals who are age 55 and older may make HSA catch-up contributions up to \$1,000. For eligible individuals who are married and have family coverage, each spouse who is age 55 or older may make a catch-up contribution. **Each spouse must have** an individual HSA account if both want to make "catch-up" contributions.

AGE 65: You no longer qualify to make contributions to your HSA if you are enrolled in any part of Medicare. The contributions & catch-up contributions will need to be pro-rated for the year.

TRANSFER FEE: \$25.00

You will receive a monthly bank statement.

*All deposits will be reported to the IRS as a Current Year Contribution and all checks, ATM or electronic withdrawals will be reported to the IRS as a Normal Distribution.

*It will be your responsibility to notify us if there is any transaction that **would not be** a Current Year Contribution or a Normal Distribution.

*We will not track the employee and employer contributions.

*If your account balance goes to zero, it will be considered closed.

*Cancelled checks are safe kept for your convenience.

Specific forms are mandatory for the following types of transactions:
Deposit: Previous Year Contributions, Rollover, Transfer
Withdrawals: Death, Disability, Excess Contribution Removal, Prohibited Transactions

ANNUAL REPORTING REQUIREMENTS: As Custodian, the Bank is responsible for reporting total distributions in January on IRS Form 1099-SA and total contributions for the previous year (in May) on IRS Form 5498-SA. A Fair Market Value Statement is mailed in January showing the deposits and withdrawals made in that year. Account holder is responsible for retaining records for tax purposes and must complete and file IRS Form 8889 with the 1040, showing HSA distributions taken during the calendar year.

It is important to keep a record of all your medical receipts and bank statements indefinitely.

Your deposit account at Northwestern Bank is governed by the provisions provided in the "Understanding Your Deposit Account" booklet, provided at the time of your enrollment, along with other agreements that pertain to your Health Saving Account.

For more information on Health Savings Accounts: IRS Publication 969 & 502. Internet address: www.irs.gov

FDIC INSURED

THE INTEREST RATE AND ANNUAL PERCENTAGE YIELDS ARE ACCURATE AS OF JULY 1, 2016.

OTHER ACCOUNT FEES

*Stop payment (per item).....	\$30	Northwestern Bank waives all transaction fees for our ATM card holders.
*Account freeze (15 day freeze).....	\$15	PLUS surcharges do not apply to our ATM card holders at any of our five locations:
*Insufficient funds fee (per item returned).....	\$35	
*Overdraft protection from savings (per transfer)...	\$6	
*Certified Check (per check).....	\$10	
Overdrafts (per item/withdrawal)	\$35	
Check printing fees may vary on style		NB Drive-up—22 E. Central St., Chippewa Falls
Items deposited that are returned (per item)...	\$10	Gordy's Market-Lafayette
Money Orders.....	\$2	Gordy's Market-Cornell
Cashier's Check.....	\$5	NB Drive Thru- Thorp
Canadian Checks.....	\$5	NB Drive Thru- Eau Claire
Incoming Wire.....	\$15	Surcharge waived at banks participating in ATM Access.
Outgoing Wire.....	\$25	
Foreign Wire.....	\$60	
Wire Domestic Investigation.....	\$25	Wire Foreign Investigation..... \$60

Fees may be charged for overdrafts created by checks, in-person withdrawals, ATM withdrawals, or other electronic means.

INTERNET

Visit our web site at www.northwesternbank.com and check out our free internet banking.
E-mail us at nwbmail@northwesternbank.com

TELEBANC BANC

24 hour Phone Banking Service Toll free at 1-888-NOW-BANK (669-2265) or locally at 723-5273.

"Your Locally Owned, Independent, Community Bank."

CHIPPEWA FALLS
202 N. Bridge St.
Chippewa Falls, WI 54729
(715) 723-4461

EAU CLAIRE
2901 Mall Drive
Eau Claire, WI 54701
(715) 839-8642

BOYD
803 E. Murray St.
Boyd, WI 54726
(715) 667-3231

CORNELL
201 Main St.
Cornell, WI 54732
(715) 239-6414

LAFAYETTE
17152 County Trunk J
Chippewa Falls, WI 54729
(715) 723-4461

THORP
111 N. Washington St.
Thorp, WI 54771
(715) 669-5707

FACTS**WHAT DOES Northwestern Bank
DO WITH YOUR PERSONAL INFORMATION?**

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security number and account transactions ■ account balances and payment history ■ credit history and credit scores <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Northwestern Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Northwestern Bank share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call 715-723-4461 or go to www.northwesternbank.com
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Who we are	
Who is providing this notice?	Northwestern Bank
What we do	
How does Northwestern Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Northwestern Bank collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or deposit money ■ make a wire transfer or apply for a loan ■ use your credit or debit card <p>We also collect your personal information from other companies</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Northwestern Bank has no affiliates</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Northwestern Bank does not share with non-affiliates so they can market to you</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Northwestern Bank doesn't jointly market</i>
Other important information	
N/A	

HSA COMMON ERRORS

- **Calculating Contributions:**
Any deposits made to an individual's HSA whether payroll deduction or at the bank must be added together. This total cannot be more than the yearly HSA contribution limits. You are required to keep track of these deposits and if you exceed your limit, this will cause an Excess Contribution and Excess Earnings. The bank will charge a fee to correct the IRS forms.
- **Mistaken distributions:**
Mistaken distributions are not accepted. If you mistakenly distribute assets from your HSA, you may not redeposit those funds back into your HSA. (Exp. use the wrong debit card, checks or electronic transfer)
To offset this error keep receipts of your next medical bill and pay it with your regular funds, not your HSA.
- **Refund Check from Insurance Company:**
If you receive a refund check from your insurance company and you deposit it into your HSA this is considered a current year contribution and will appear on the 5498SA. This could cause an Excess Contribution and Excess Earnings. Do not deposit the refund check. To offset these funds pay your next medical bills with your regular funds and keep the receipts.
- **Debit Card Refunds:**
When you use your HSA debit card to make a purchase at a merchant or a pharmacy and you decide to return the item or request a refund, this transaction is coded as a current year contribution and will appear on the 5498SA. This could cause an Excess Contribution and Excess Earnings. You need to watch your monthly statement and if this has happened, contact the bank so the IRS reporting code can be changed.
- **January 1 to April 15th HSA Deposits:**
From January 1st to April 15th all HSA deposits made at the bank must have a HSA contribution form filled out and signed stating what year the contribution is for (Current or Previous Year).
- **Age 65:**
One month prior to your 65th birthday we mail you a letter reminding you that you cannot make any contributions to your health savings account (including catch-up contributions) beginning with the month you enroll in Medicare A, B, C, or D.
- **Reversed Payrolls:**
If your payroll department sends a payroll file, finds a mistake and backs out the file this will cause each employees 5498SA, 1099SA and Fair Market Value Statement to be wrong. This transaction will show on your statement as a deposit and a withdrawal. The employer needs to inform the bank of this mistake so we can manually change the IRS coding on each employee's transaction so it will not report to the IRS.

It is important to review your monthly statement.