

# HEALTH SAVINGS ACCOUNTS

## Variable Rate Accounts

The daily balance method will be used to calculate interest on your Health Savings Account (H.S.A.) by applying a daily periodic rate to the full amount of principal in the account each day.

### DEPOSIT INFORMATION

A minimum deposit of \$100.00 is required to open a Health Savings Account (H.S.A.). Deposits of any amount may be made to the account after it is opened. However, you will be liable for any penalty incurred for excess contributions to your H.S.A.

The HSA account will be used **only** for deposits and withdrawals from the Health Savings Account. The following features apply to the transaction account:

- No monthly debit card fee
- Account can be accessed through 24-Hour Banker Online
- Billpay is available at no charge
- Cancelled checks will be returned in statement

### INTEREST RATE

The interest rate and annual percentage yield you will earn is variable and is set at the discretion of the management of the Shelby County State Bank. The rate may change quarterly and will not be less than 2.00%.

To obtain the annual percentage yield disclosed, you must maintain a minimum balance of \$50.00 in the account each day.

Interest is compounded quarterly and the interest you earn is credited to your account at the end of each quarter. Interest begins to accrue no later than the business day of deposit. Deposits received after 3:00 p.m. are credited to the next business day.

A Shelby County State Bank rate sheet is available disclosing current rates.

### FEES

A fee of \$15.00 will be required to initially set up a Health Savings Account. A basic service charge of \$1.50 will be assessed to your H.S.A. when your statement cycles each month. There will be a \$24.00 fee to stop payment on a check. Should you overdraw your H.S.A. account, there will be an overdraft charge of \$24.00 for each check returned or paid into overdraft.

### WITHDRAWALS

Withdrawals are limited by law. Please see your tax advisor for details. You have the right to withdraw your deposit plus any interest at any time, though you may be subject to certain penalties.

**A withdrawal penalty will be applied if you withdraw funds from your HSA for transfer or rollover purposes. The amount of the withdrawal penalty will be \$25.00. The penalty will not be imposed if the payment is used exclusively to pay for qualifying medical expenses or made in the event of your death or disability.**

**The penalty will also not be imposed if the payment to you is a retirement payment. A retirement payment is one which equals or is less than 30 percent of the IRA account balance at the time of the distribution and you have attained the age specified in section 1811 of the Social Security Act. A payment which you transfer or rollover cannot be a retirement payment. This penalty will be deducted from your IRA at the time of the withdrawal if the funds are in the account or may be paid directly by you.**

We reserve the right to require seven days notice before any withdrawal can be made from an interest-bearing account.

**PLEASE ASK A BANK REPRESENTATIVE FOR CURRENT RATES**

## SHELBY COUNTY STATE BANK

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