

2018 health savings account (HSA) contributions



the health savings account (HSA) is exactly that, a savings account.

If you participate in the High Deductible Health Plan (HDHP) or the HDHP Basic, you have access to a health savings account (HSA). The health savings account (HSA) is exactly that, a savings account. You contribute money, and later you can use the money in your account to help pay for certain out-of-pocket health care costs. This account is designed for long-term savings so the focus is on putting in as much money as you can. This means there is no pressure to use the money in your account right away. If you want to pay for an expense out-of-pocket and keep the money in your account, you can. If you would rather use the money in your account, that's your choice too.

IRS contribution limits to an HSA in 2018

The IRS limits your annual contributions. Your contribution limits are determined by the level of coverage you've selected in the Chevron HDHP or HDHP Basic. Chevron's contribution amount applies toward the 2018 maximum annual contributions allowed by the IRS. Be sure to take this into account when you elect your HSA contribution level for 2018. 2018 IRS HSA limits are:

Individual: **\$3,450** | Family: **\$6,900**

You are allowed to make an extra \$1,000 in catch-up contributions starting in the calendar year you turn age 55.

Monitor your contributions carefully. It is your responsibility to track the total contributions during the year — including your contributions, Chevron's contributions, and contributions from other sources. Chevron cannot track your contributions against the maximum annual limit. If you contribute over the limit, you may be subject to taxes and penalties. While the IRS limits how much you can contribute in a year, there is no limit to the balance you are allowed to carry over into the next year, and there's no overall limit to the total balance you can carry in your account.

Chevron contributions to the BenefitWallet HSA in 2018

To help you build your HSA savings in 2018, Chevron will once again contribute to the BenefitWallet HSA. Chevron's contribution amount is based on your medical coverage tier and is subject to certain requirements. If you don't currently have a BenefitWallet HSA, you'll need to act during open enrollment. Enrollment in the HSA is not automatic. Instructions are on page two of this document.

2018 Chevron contribution amounts to the BenefitWallet HSA

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|-------------------|--------------|--------------------|----------------|
| • You Only | \$500 | • You + Child(ren) | \$750 |
| • You + One adult | \$750 | • You + Family | \$1,000 |

The 2018 company contribution to your account is based on the coverage level you choose during open enrollment or when you make your new hire/rehire enrollment elections. Eligible employees hired/rehired on or after July 1, 2018 will receive half the applicable Chevron HSA contribution for 2018, subject to timely enrollment and BenefitWallet HSA account opening. If you do not enroll in a BenefitWallet HSA during open enrollment or during your 31-day new hire/rehire enrollment period, you will not be eligible to receive the 2018 company contribution. If you experience a qualifying life event that permits you to enroll in the HDHP or HDHP Basic, you will not be eligible to receive the 2018 company contribution. If you experience a qualifying life event that changes your existing HDHP or HDHP Basic coverage level, you will neither receive an additional company contribution, nor will you be required to return a portion of the company contribution.



Contact BenefitWallet directly at 1-855-234-7722 with questions about the HSA account.

how to receive a chevron contribution to your HSA

If you are an active, eligible employee on January 1, 2018, and you meet the requirements and deadlines below, Chevron will automatically deposit the amount that corresponds to your coverage level into your open BenefitWallet HSA.

Currently participating?

If you already have a BenefitWallet HSA because you are currently participating in the Chevron HDHP or HDHP Basic, you don't have to do anything during open enrollment.

- You'll receive the company contribution as long as you remain enrolled in the HDHP or HDHP Basic and still have your BenefitWallet HSA on January 1, 2018.
- Your current employee contribution will automatically continue for 2018. You can change your employee contribution at any time from the Benefits Connection website, but open enrollment is always a good time to review your savings goals against the new IRS limits for 2018.

Not currently participating but want to start?

If you aren't currently participating in the BenefitWallet HSA but want the Chevron contribution in 2018, you must act during open enrollment, **October 16 through October 27, 2017**. Enrollment in the HSA is not automatic.

1. Enroll in the Chevron HDHP or Chevron HDHP Basic during open enrollment.

You must be enrolled in the Chevron High Deductible Health Plan (HDHP) or the Chevron High Deductible Health Plan Basic (HDHP Basic) on January 1, 2018. If you are not already participating in these plans, you can enroll during Chevron open enrollment period October 16 through October 27, 2017.

2. Make an election to open the BenefitWallet HSA during open enrollment on the Benefits Connection website. *Please note that Chevron does not contribute to another institution's HSA.* Remember, enrollment in the HDHP or HDHP Basic gives you the keys to open the BenefitWallet HSA, but it's your responsibility to determine if you're eligible. You should consult your tax advisor and read the full eligibility requirements in **IRS Publication 969** on www.irs.gov, but in general:

- You must be enrolled in an HSA-compatible plan, like the HDHP or HDHP Basic.
- You are covered by no other health coverage, unless it's an allowed plan, such as another high deductible plan, a dental plan, or a vision plan.
- You are not enrolled in or covered by a health flexible spending account – like the Health Care Spending Account (HCSA) – or an HRA. This means you can't be enrolled in Chevron's Health Care Spending Account (HCSA). It also means your spouse, if applicable, cannot be enrolled in a flexible spending account or HRA that could reimburse your expenses.

3. Complete the required financial information as soon as possible. If you are opening a BenefitWallet account for the first time, BenefitWallet will collect personal information — as required by federal banking regulations under the USA Patriot Act — that is needed to open a bank account. If you don't provide the requested information, your account will not be opened and you cannot receive the company contribution.

- If you opened your account online when prompted, you are typically done unless BenefitWallet contacts you. You'll receive a Welcome Kit in the mail in December.
- If you did not agree to electronically open your account, you'll receive a kit from BenefitWallet by mail, typically by December. Your contributions and the company contribution to your account will be delayed until you have returned the required information and your account opening is processed. You must complete your account opening by November 15, 2018 to receive the company contribution for 2018.

The first account funding cycle for 2018 will occur at the end of January. This means your employee contributions and any applicable 2018 company contribution will not appear in your account as of January 1, 2018. After the first payroll cycle of the year, contributions will appear in your account with less delay. Remember, you can reimburse yourself for qualified medical expenses at any time in the future, as long as the eligible expense occurred on or after your HSA effective date.

good to know about company contributions to the HSA

- You must be an active U.S.-payroll employee eligible to participate in the HDHP or HDHP Basic. Retirees are not eligible to receive a company contribution to the BenefitWallet HSA. You're still responsible for making sure you are eligible to open and contribute to an HSA because Chevron does not determine your eligibility for an HSA beyond meeting the requirement to be enrolled in the Chevron HDHP or HDHP Basic. See **IRS Publication 969** available on www.irs.gov for further details.
- Some states, including California and New Jersey, tax employer contributions to an HSA. Taxes, if any, will be determined and applied based on the state where you live on the date that Chevron funds your account.
- Chevron's contributions to the BenefitWallet HSA are not conditional upon your contributions. When you open your account or make your 2018 contribution election, you can decide to contribute to your account — or not to contribute at all.
- This is a one-time contribution; you will receive the full amount for which you are eligible at the time of the deposit.
- You can begin to use the funds for qualified medical expenses as soon as the funds are in your account.