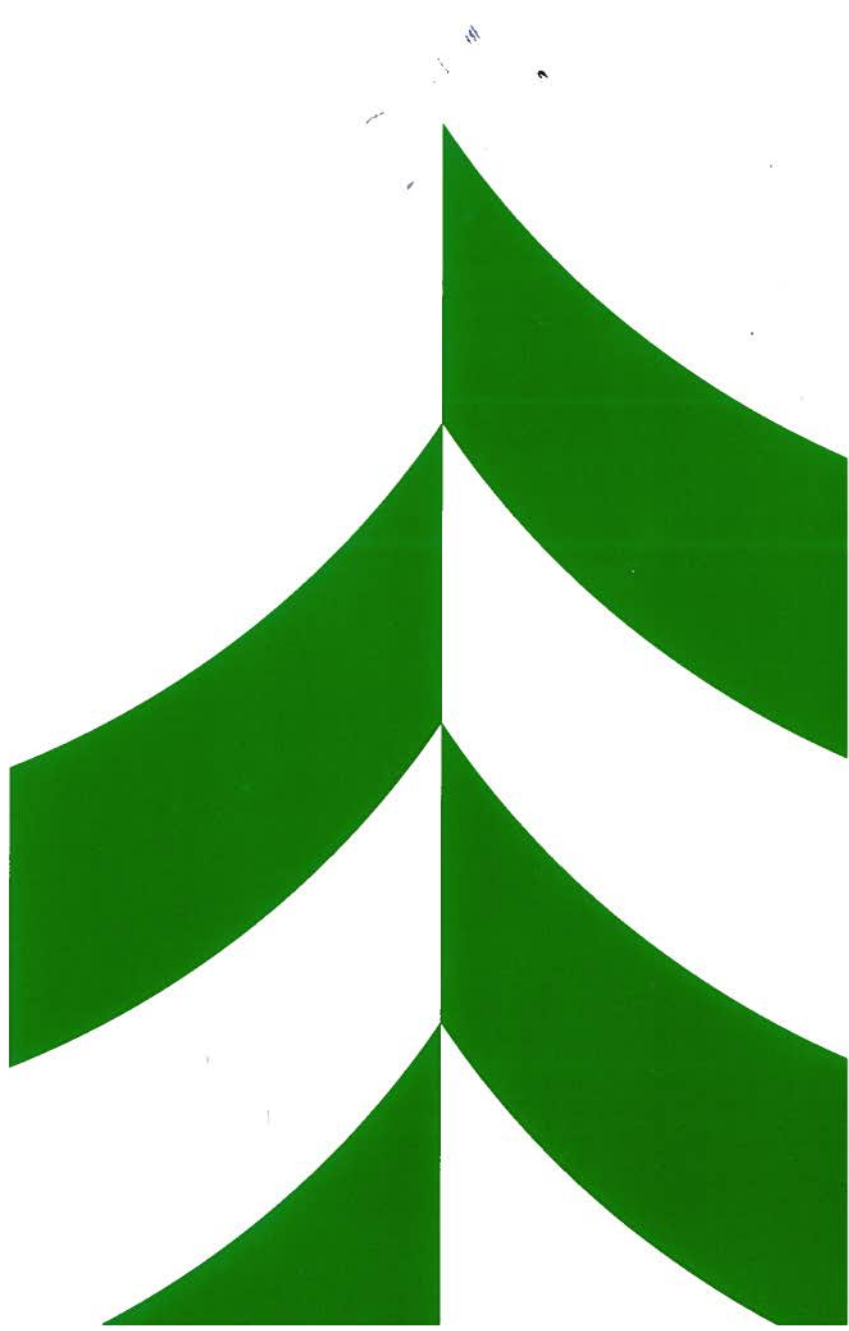


HEALTH SAVINGS ACCOUNTS

EMPLOYEE GUIDE





HEALTH SAVINGS ACCOUNTS

SAVE FOR TOMORROW'S MEDICAL EXPENSES WHILE ENJOYING TAX ADVANTAGES TODAY

Associated Bank is pleased to offer Health Savings Accounts (HSA) through your employer-sponsored qualified High Deductible Health Plan (HDHP).

An enrollment in a qualified HDHP allows you to contribute to an HSA account to pay for qualified medical expenses not covered by the HDHP; your employer can contribute to your HSA as well. As an HSA owner, you gain flexibility in managing healthcare expenses for you and your family, and enjoy tax advantages:

- The money contributed to the account can be tax-deductible.
- The money withdrawn isn't federally taxed, as long as it's spent on approved health-related expenses.
- Interest earned on the account may be tax free.

To be eligible for an HSA, you must be enrolled in an HDHP and not enrolled in other forms of low-deductible health insurance. While an HDHP has higher deductibles than traditional insurance policies, they typically feature lower premiums, which could save you money.

Enclosed is information on the basic features of your HSA. If you have questions or need assistance, please contact your HR/benefits department or call 800-992-2651 to talk with an Associated Bank Health Savings Account Specialist.

As your HSA plan administrator, we look forward to serving you — today and for many years to come.

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Your HDHP is governed by the terms and conditions set forth in the certificate of coverage or plan document issued by your benefits administrator. Your HSA is governed by the terms of your custodial agreement and the rules issued by Associated Bank. If a conflict exists between any plan documents, contracts, rules, regulations or laws and this brochure, the plan document, contract, rule, regulation or law will apply.

GETTING STARTED

SETTING UP AN HSA

Who can set up an HSA?

To be eligible for an HSA, you must:

- Be covered by a qualified High Deductible Health Plan (HDHP).
- Not be covered by another form of “low-deductible” health insurance.
- Not be claimed as a dependent on someone else’s tax return.
- Not be covered by Medicare (Part A, Part B or Part D).

While company owners can sign up for an HSA, certain owners may not be able to contribute to the HSA on a pretax basis. Please contact your HR/benefits department if you have questions about HSA eligibility.

When can I set up an HSA?

You can set up an HSA when you enroll in your employer’s HDHP or after you become covered by an HDHP. Your HR/benefits department will direct you on when and how to set up the HSA.

What is a qualified HDHP?

A qualified High Deductible Health Plan (HDHP) is a health plan that:

- Provides coverage for medical expenses.
- Has a minimum annual deductible that meets IRS-stated amounts. (These amounts are indexed for inflation and may increase each year.)
 - Minimum of \$1,250 for single coverage and \$2,500 for family coverage in 2014.
 - Minimum of \$1,300 for single coverage and \$2,600 for family coverage in 2015.
- Does not pay any medical expenses, including co-pays, office visits or co-insurance, until the applicable deductible is satisfied, other than for preventative care.

- Has maximum out-of-pocket expenses that do not exceed the IRS-specified amounts. (These amounts are indexed for inflation and may increase each year.)
 - Maximum of \$6,350 for single coverage and \$12,700 for family coverage, except for out-of-network claims, in 2014.
 - Maximum of \$6,450 for single coverage and \$12,900 for family coverage, except for out-of-network claims, in 2015.

Can I be covered under another health plan and still set up an HSA?

Yes, if you are covered by another health plan, such as your spouse’s employer. That health plan must meet all of the criteria for a qualified HDHP. However, if you’re enrolled in a health plan that does not meet the criteria for a HDHP, you may not set up an HSA and you must stop contributing to any HSA you do have.

You may also set up an HSA if you are covered by:

- Dental
- Vision
- Short- and long-term disability
- Life and accident
- Long-term care
- Certain Health Flexible Spending Arrangements (also called Section 125 or Pretax Medical Reimbursement Accounts)
 - Insurance for specific types of diseases or illnesses (e.g., cancer plans)
 - Hospital indemnity plans
 - Limited Purpose FSA (dental and vision only)
 - Post-deductible HRAs

In order to participate in an HSA and Health Flexible Spending Arrangement at the same time, the Health Flexible Spending Arrangement, whether provided by your or your spouse’s employer, must typically

GETTING STARTED (CONT.)

be limited to reimbursing dental expenses, vision care expenses and/or medical expenses that exceed your HDHP deductible. Check with your or your spouse's benefits administrator to determine if you can participate in any Health Flexible Spending Arrangement offered by your or your spouse's employer.

If you are enrolled in Medicare or Medicaid, or have coverage under Tricare (military insurance), you are not eligible to contribute to an HSA.

If you are eligible to receive VA benefits (including prescription drugs), and actually receive them, you are not eligible to contribute to your HSA for up to three months. Being eligible for VA benefits, but not receiving them, does not affect your ability to contribute to an HSA. Please check with your VA benefits caseworker for details.

Can I set up an HSA if my spouse and/or dependents are covered under another health plan?

Yes. As long as you, the HSA account owner, are covered by a qualified HDHP and are not covered by any other form of low deductible insurance, your spouse and your dependents may still be able to participate in other health insurance (e.g., through your spouse's employer's insurance plan), without affecting your HSA eligibility. You may also use your HSA funds to pay for the qualified medical expenses of your spouse and IRS qualified dependents, even if they are covered under another health plan.

CONTRIBUTING TO YOUR HSA METHODS AND AMOUNTS

How do I put money into my HSA?

After enrolling in the HSA, you'll work with your HR/benefits department to determine how much money you'll want to contribute to your HSA. For your convenience, contributions can be made in several ways:

- Your employer can deduct funds from your paycheck on a pretax basis and forward the money to Associated Bank to be deposited into your HSA. See your tax advisor for details on eligibility as some restrictions may apply.
- Contributions can also be made through online transfers with Associated Bank's Online Banking, direct deposit from another financial account, Associated Mobile Banking® or at one of our locations.

Please see the Summary Plan Description and/or Plan Documents for your employer's pretax plan for more information on pretax contributions, including information on changing your contribution amount.

Your employer may also contribute money to the HSA. These contributions are not taxable as federal earned income, but any HSA contributions may be subject to state income tax. Please consult your tax advisor to determine the potential tax advantages of your HSA.

How much money can I put into my HSA?

General contribution limit

The maximum contribution in 2014 is \$3,300 for single coverage, and \$6,550 for family coverage. The maximum contribution in 2015 is \$3,350 for single coverage, and \$6,650 for family coverage. The total amount contributed by you and your employer cannot exceed this maximum. If your spouse has his or her own HSA, the following special rules apply:

- If you and your spouse each have single HDHP coverage, you may each contribute up to the maximum single coverage limit to your respective HSAs.

CONTRIBUTING TO YOUR HSA (CONT.)

- If you or your spouse has single HDHP coverage, and the other person has family HDHP coverage, you and your spouse together may contribute no more than the maximum family coverage limit, divided between your HSAs as you agree.
- If you and your spouse both have family HDHP coverage, you and your spouse together may contribute no more than the maximum family coverage limit, divided between your HSAs as you determine.

Full contribution rule

If your HDHP coverage starts mid-year, you may make the full HSA contribution (single or family, whichever applies) for that entire year, if:

- You are HSA eligible on December 1 of that tax year; and
- You remain HSA eligible through the entire next calendar year (January through December).

If you do not remain HSA eligible through the entire next calendar year (other than due to death or disability), you must work with your tax advisor to report any excess contributions made in both the current and prior tax years.

Catch-up contribution limit

The catch-up contribution limit is \$1,000. If you are at least age 55 by the end of the calendar year and meet

the HSA eligibility requirements, you may make an additional catch-up contribution to your HSA.

If your spouse is at least age 55 by the end of the calendar year and meets the HSA eligibility requirements, he or she may also make a catch-up contribution to his or her own HSA. Your spouse must have an individual HSA to make a catch-up contribution; you may not make a catch-up contribution on behalf of your spouse to your HSA.

What happens if I put too much money into my HSA?

You are responsible for making sure you don't exceed the maximum HSA contribution limit. If, at the end of the year, you've contributed too much to the account, you must report the excess amount to the IRS on your federal income tax return and pay income taxes on that amount. You will also have to pay excise taxes on the excess amount, unless you withdraw the excess and any earnings attributable to that excess before that year's IRS deadline. Visit HSA.AssociatedBank.com to obtain a withdrawal form. For more information on the taxation of excess HSA contributions, contact your tax advisor.

USING YOUR HSA FUNDS

QUALIFIED EXPENSES, WITHDRAWALS AND TAX FILING

What can I use my HSA funds for?

You can use the funds in your HSA to pay for qualified medical expenses, as defined by the IRS, incurred by you, your spouse and your IRS qualified dependents. Generally, medical care expenses include amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be

primarily to alleviate or prevent a physical or mental defect or illness. (See page 9 for a basic list of qualified medical expenses.)

Expenses solely for cosmetic reasons generally are not expenses for medical care, nor are expenses that are merely beneficial to one's general health (e.g., vacations).

USING YOUR HSA FUNDS (CONT.)

Who determines if an expense is a qualified medical expense?

The IRS considers an HSA to be an “individual account.” You, the account owner, must determine if a particular medical expense is a qualified medical expense that can be reimbursed from your HSA. While you can contact your benefits administrator or your tax advisor for assistance, it is ultimately your responsibility to determine whether a particular expense qualifies. In the event of an IRS audit, you will be required to present proof (generally in form of receipts) that HSA funds were used to pay for qualified medical expenses. For additional information, please visit IRS.gov.

What if I use my HSA funds to pay for a non-qualified medical expense?

If you're under age 65 and use your HSA funds to pay for a non-qualified medical expense, you may need to pay ordinary income taxes, tax penalties and excise taxes on that amount. If you're over age 65, or become disabled at any age, and use your HSA funds to pay for a non-qualified medical expense, you will pay ordinary income taxes (but not excise taxes or penalties) on that amount.

It is your responsibility to pay the taxes and/or penalties on HSA withdrawals used for non-qualified medical expenses and report them on your tax return. Failure to do so may result in additional penalties.

How do I get money out of my HSA to pay for qualified medical expenses?

You can withdraw money for qualified medical expenses in several ways:

- Use your HSA debit card to pay the pharmacy, doctor or other medical care provider directly.
- Make a withdrawal at an ATM or any Associated Bank location.
- Use Associated Bank's Online Banking or Associated Mobile Banking® service to pay a medical expense or transfer funds.

To receive reimbursement through direct deposit to your account or have a check mailed to you, access the online Health Savings Account Qualified Medical Expense Reimbursement Form at HSA.AssociatedBank.com by clicking *Forms*. Print, complete and return the form to Associated Bank.

Do *not* use your HSA debit card or make any other form of payment when you initially visit your healthcare provider. Please wait for your medical claims to be processed so all appropriate discounts are applied. However, you can pay for pharmacy services at the initial point of purchase after any plan discounts have been applied.

Be sure to keep all receipts for qualified medical expenses you pay using your HSA. If the IRS ever audits you, you will need to prove that you used your HSA funds to pay for qualified medical expenses.

Will I have to pay taxes on my HSA?

No. You will not have to pay federal income taxes on the contributions and interest you earn in your HSA, unless you are no longer HSA-eligible. In addition, you do not have to pay federal income taxes on money you withdraw from your HSA, as long as it's used to pay for qualified medical expenses. However, state income taxes may apply. Please consult with your tax advisor.

Can I claim the contributions as a tax deduction?

No. If your HSA contributions are made through pretax payroll deductions, you may not claim the contributions as a deduction on your tax return. If you itemize deductions on your tax return, you may not claim a deduction for those medical expenses that are reimbursed from your HSA.

USING YOUR HSA FUNDS (CONT.)

What tax forms will I need for filing?

Associated Bank will provide the following tax documents if you have HSA activity that must be reported:

- The Fair Market Value Statement is provided in January each year and shows your balance at the beginning of the tax year, all amounts credited, all amounts debited and the end-of-year balance. It's a summary of the account activity for the tax year and is not intended for tax filing.
- Form 1099-SA is provided in January each tax year, and shows the amounts reported as distributions to the IRS. A separate 1099-SA is provided for each type of IRS distribution code.
- Form 5498-SA is provided in late April/early May each tax year and shows the amounts reported as contributions to the IRS. This amount reflects all contributions to the HSA and does not differentiate if the contribution was made pre- or post-tax.
- Your employer will provide a W-2 Form listing all employer and employee pre-tax contributions in Box 12 with code W. Please contact your tax advisor for more information on filing your taxes.

YOUR HSA DEPOSIT ACCOUNT AT ASSOCIATED BANK INTEREST, STATEMENTS AND ACCOUNT INFORMATION

Will my HSA deposit account earn interest?

Yes. You will earn competitive interest on your HSA balance. Rates are variable and may be changed at Associated Bank's discretion. You'll be informed of your current interest rate when you open your HSA. After that, you can check rates by contacting Associated Bank. You can also choose to invest the money in mutual funds for greater potential return (see page 7 for more on the Associated Health Savings Investment Account).

Will I receive a bank statement for my HSA?

Yes. Associated Bank will send you a monthly statement of deposits and withdrawals whenever there is activity in the account for that month. You may choose to enroll in paperless eStatements through Associated Bank's Online Banking access. If you participate in Associated's Health Savings Investment Account, you'll also receive quarterly statements for those mutual fund assets.

Please note that it is possible to overdraw your account.

You are responsible for making sure funds are available before you make withdrawals. Overdraft/NSF fees may be assessed. Please see the Consumer Deposit Account Fee Schedule for current fees. Consult with your tax advisor concerning the potential implications of an overdraft on an HSA.

Where can I access my account information?

To view your current balance or account activity, visit HSA.AssociatedBank.com and click *Account Access* to access Associated Bank's Online Banking. You can also view account information through Associated Mobile Banking® or by calling 800-992-2651.

What happens to any money left in my HSA at the end of the year?

Any unused money carries over into the new year, remains in your HSA and may earn interest.

ASSOCIATED'S HEALTH SAVINGS INVESTMENT ACCOUNT

THE POTENTIAL TO EARN HIGHER INTEREST

What is a Health Savings Investment Account?*

If you accumulate more than \$500 and don't intend to use it immediately, Associated offers a self-directed option to invest your money in mutual funds with various life-stage offerings with Associated Bank as custodian. Under arrangements between Associated Bank and the fund companies, you will not incur any front-end or back-end sales charges. Account management is also available online, 24 hours a day, seven days a week. Visit HSA.AssociatedBank.com, and click *Funds List* to learn more.

Is there a charge to open a Health Savings Investment Account?

No. However, you will be assessed an account fee of \$7.50 and a service fee of \$0.90 per \$1,000 (9 basis points) of investment account balance per quarter, which is automatically deducted from your Health Savings Investment Account.

How do I open an investment account?

A Health Savings Investment Account Initial Enrollment Form and initial deposit are required to

open a Health Savings Investment Account. Please contact Customer Care at 800-992-2651 to have the form mailed to you. For faster service, visit HSA.AssociatedBank.com. After completing the form, return it to the Health Savings Investment Support Area provided on the form. Your account will be established and a Personal Identification Number (PIN) will be mailed to you. Upon receiving the PIN, you can change your investment elections online.

How do I move additional funds to/from my investment account?

You may transfer funds back and forth between the HSA and Health Savings Investment Account by using the Health Savings Investment Account Transfer Form. After completing the form, return it to the Health Savings Investment Support Area provided on the form. All contributions and distributions must be made directly to/from the HSA. Funds may be invested only by transferring funds to the investment account. To access your funds, you must first transfer funds from the investment account to the HSA. Allow up to three business days from the time the bank receives the request for completion.

* Investors should read the prospectus carefully and consider the fund's investment objectives and risks before investing. Links to prospectuses are available at HSA.AssociatedBank.com or by contacting the fund directly. Mutual fund performance data and ratings represent past performance and are not a guarantee of future results. **Funds in the Health Savings Investment Account are NOT deposits or obligations of, insured or guaranteed by Associated Banc-Corp or any other bank or affiliate, are NOT insured by the FDIC or any agency of the United States, and involve INVESTMENT RISK, including POSSIBLE LOSS OF VALUE.** Contract administration services are provided by Associated Trust Company, N.A. to Associated Bank, N.A., for which an HSA Investment Account is charged an account fee of \$7.50 and a service fee of \$0.90 per \$1,000 (9 basis points) of investment account balance per quarter. Associated Trust Company, N.A. is an affiliate of Associated Banc-Corp.

ADDITIONAL INFORMATION

DEBIT CARDS, NAME OR EMPLOYER CHANGES, AND MORE

Whom should I contact for more information on my debit card or if I lose my debit card?

Call Associated Bank at 800-992-2651.

What should I do if I change my address?

Notify your employer of your address change, and send us your new address via email by visiting HSA.AssociatedBank.com and clicking *Contact Us* or calling 800-992-2651, or mailing the address change to:

Associated Bank, N.A.
HSA Department - MS# 7009
P.O. Box 19097
Green Bay, WI 54307-9097

What should I do if my legal name changes?

Request a new application from your employer or local banking office and mail a copy of the legal documents reflecting the name change, such as a marriage certificate or divorce decree, with the completed forms to:

Associated Bank, N.A.
HSA Department - MS# 7009
P.O. Box 19097
Green Bay, WI 54307-9097

What happens if I leave my employer?

When you terminate employment, you lose eligibility to participate in your employer's health plan as an active employee and may be eligible to elect COBRA continuation. However, your HSA belongs to you and is yours to take with you, even if you don't elect COBRA continuation coverage. To remain eligible to contribute to your HSA, you must continue HDHP coverage through your former employer via COBRA, through a new employer's qualified HDHP, or through an individual HDHP.

What happens to my HSA if I drop out of my HDHP?

Leaving your HDHP means you can no longer contribute to your HSA until you are covered by another HDHP. When you drop out of your HDHP, you have a few choices:

- You can leave the money in the account with Associated Bank. You may continue to use the remaining money in your HSA to pay for qualified medical expenses without paying income taxes on the amount withdrawn. If you withdraw money from the account for non-qualified medical expenses, you must pay ordinary and excise taxes on those amounts.
- You can close the HSA, but you will be required to pay ordinary and excise taxes, if applicable, on the amount used for non-qualified medical expenses.
- If you close the account, you have 60 days to roll the funds into another HSA.

The interest and investment returns you earn after the date you withdraw from the HDHP continue to accumulate free from federal income taxes. However, you will not be allowed to contribute additional funds to the HSA.

Will my family receive my HSA funds in the event of my death?

Yes, if you designate a beneficiary on your HSA when you set up your account. If you choose not to name a beneficiary, your estate will be named. You can change HSA beneficiaries at any time by requesting an HSA Designation of Death Beneficiary form by visiting HSA.AssociatedBank.com and clicking *Forms*.

If your HSA beneficiary is your spouse, your HSA may be converted to an HSA in your spouse's name at your death. He or she will not have to pay any taxes and can use the money in your HSA in accordance with the normal HSA rules. If your HSA beneficiary is not your spouse, the HSA will terminate and the beneficiary will have to pay taxes on the amount in your HSA. If you do not designate a beneficiary, your HSA will terminate and be paid to your estate.

Where can I go to get more information or help with my HSA?

Contact your HR/benefits department or your insurance administrator with questions about your HDHP. Visit HSA.AssociatedBank.com or call 800-992-2651 to speak with an Associated Bank Health Savings Account Specialist if you have questions about your Health Savings Account.

QUALIFIED MEDICAL EXPENSES AT A GLANCE

To maximize the value of your HSA, you must use your account funds for expenses the IRS deems acceptable. Please note that the following is not meant to be an all-inclusive listing and may contain items which require specific criteria be met before the expense can be considered qualified.

For a complete list, see Section 213 of the IRS rules (IRS.gov) or contact the Internal Revenue Service.

When checking whether a procedure or product is qualified, consider the following general definition for medical care expenses before consulting the IRS:

Medical care expenses include amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness. Expenses solely for cosmetic reasons generally are not expenses for medical care. Also, expenses that are merely beneficial to one's general health (e.g., vacations) are not expenses for medical care.

Qualified medical expenses

You can generally include medical expenses you pay for yourself, as well as those you pay for someone who was your spouse or dependent either when the services were provided or when you paid for them.

Acupuncture
Adoption
Alcoholism
Ambulance services
Artificial limb/Prosthesis
Artificial teeth
Automobile modifications
Bandages
Birth control pills
Blood pressure monitoring devices
Body scan
Braille books and magazines
Breast pumps and supplies
Breast reconstruction surgery
Childbirth classes
Chiropractor services
Christian science practitioner
Circumcision
Contact lenses and cleaning solutions
Co-payments

Crutches
Deductibles
Dental treatment
Dentures
Diagnostic services
Disabled dependent care expenses
Drug addiction treatment
Ear plugs
Eye examination
Eyeglasses and cleaner
Eye surgery
Fertility enhancements/Infertility treatments
Fluoridation device
Genetic testing
Guide dog or other service animal
Hearing aid and batteries
Holistic or natural remedies
Hospital services
Immunizations/Vaccines
Inclinators
Insulin
Laboratory fees
Lead-based paint removal
Legal fees

QUALIFIED MEDICAL EXPENSES AT A GLANCE (CONT.)

Medic alert bracelet or necklace
Medical conferences
Medical monitoring and testing devices
Medical services
Nursing home
Nursing services
Nutritionist's professional expenses
Operations
Optometrist
Orthodontic services
Osteopath
Oxygen and equipment
Patterning exercises
Physical exams
Physical therapy
Pregnancy test
Prescription drugs
Prescription sunglasses
Psychiatric care
Psychoanalysis
Psychologist
Reading glasses
Safety glasses
Screening tests
Smoking program
Special education
Special home for mentally handicapped
Sterilization/Vasectomy
Supplies to treat medical condition
Surgery
Telephone equipment and repair
Television equipment
Transplants
Transportation
Viagra
Wheelchair
Wigs
X-ray fees

Non-qualified medical expenses

Baby-sitting
Controlled substances
Cosmetic supplies
Cosmetic surgery
Dance lessons
Diaper service
Electrolysis
Exercise equipment
Face cream
Feminine hygiene products
Fitness programs
Future medical care
Funeral expenses
Hair loss medications
Hair transplant
Health club dues/Fees
Health institute
Household help
Illegal operations/Treatments
Insurance premiums
Maternity clothes
Medicines and drugs from other countries
Nutritional supplements/Vitamins
Over-the-counter medicine (except with a doctor's prescription)
Personal trainer
Personal use items
Shampoos/Soaps
Special foods
Suntan lotion/Sunscreen
Swimming lessons
Teeth whitening/Bleaching
Toothbrush/Toothpaste
Veterinary fees
Weight-loss program