

## Notes and Disclosures for Checking Accounts

Notes 1, 2, 4, 5 & 6 apply to all Checking Accounts

Notes 3 & 7 apply to all Interest Bearing Accounts

1. All LCNB Checking Accounts require a \$50 deposit to open.
2. For all LCNB checking accounts, special service charges may apply; i.e. stop payments, NSF's, etc. Any account closed by the account holder within 180 days of opening is subject to a \$25 service charge.
3. The current APY (Annual Percentage Yield) and interest rate are included on a separate rate sheet. Current rate sheets are available at all of our locations. The rate is based on a 365-day year. We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. Interest is compounded monthly and paid monthly on the day the statement cycles.
4. Our policy is to make funds from your deposit available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 5 p.m. Eastern Standard Time/EST (Monday-Thursday), and 6 p.m. EST on Friday or if you make a deposit at our Worthington Branch only, before 4 p.m. EST (Monday – Friday) we will consider that day to be the day of your deposit. However, if you make a deposit after those hours, we will consider that deposit made on the next business day.

In some cases, we will not make all of the funds you deposit by check available at the times shown above. Depending on the check you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$200 of your deposit will be available on the next business day. (Please see "Longer Delays May Apply" below.)

If we are not going to make all of the funds from your deposit available on the next business day, we will notify you at the time you make your deposit. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

**If you will need the funds from a deposit right away, you should ask us when the funds will be available.**

### LONGER DELAYS MAY APPLY

Funds you deposit by check may be delayed for a longer period under the following circumstances. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the 9th business day after the day of your deposit.

- We believe a check you deposited will not be paid.
- A check you deposited was previously returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- The checks you deposited on this day exceed \$5,000.
- An emergency, such as failure of communications or computer equipment has occurred.

**New Account:** An account is considered new if it has been open 30 days or less, unless each of the customers on the account has another transaction account at LCNB National Bank. Cash and electronic deposits will be available by the next business day. The first \$5,000 checks deposited into your account, drawn on the U.S. Treasury, Federal Reserve Banks, Federal Home Loan Banks, and other next-day items, will be available the next business day; all other deposits will be available no later than on the ninth business day following the banking day of the deposit.

**ACCOUNTS NOT GOVERNED BY REGULATION CC:** Money Fund, Savings, Club Accounts, Certificate of Deposit

5. Usage of LCNB or Money Pass ATMs will result in no charge to you. When you use your card at other machines and it results in a debit to your account, a \$2.00 service fee will be charged. This transaction fee will be posted separately on your monthly statement. You may be charged a surcharge by another bank when using your LCNB Gold Debit MasterCard at their ATM. For more information on participating MoneyPass ATMs, visit [www.moneypass.com](http://www.moneypass.com). An International Service Assessment Fee for multi-currency POS/ATM transactions will be 3% of the transaction amount.
6. This account automatically becomes dormant after two years of no customer-initiated activity. If the account becomes dormant, a non-refundable monthly fee will apply. See Service Fees Brochure for details and amounts. For your protection a "Dormant Account Re-activation Request" form must be completed, along with a valid I.D. and a transaction, to allow the re-activation of a dormant account.
7. We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing checking account.

#### HSA Contribution Limit information:

A health plan qualifies as a High Deductible Health Plan if the annual minimum deductible is at least \$1,400 for single coverage or \$2,800 for family coverage and the maximum out-of-pocket limit is \$6,900 for single coverage and \$13,800 for family coverage for 2020.

For 2021, the minimum deductible is \$1,400 and the maximum out-of-pocket limit is \$7,000 for single coverage. For family coverage the minimum deductible is \$2,800 and the maximum out-of-pocket limit is \$14,000. These figures are subject to be adjusted by the IRS for inflation each year.

For tax year 2020, contributions are limited to \$3,550 for single coverage and \$7,100 for family coverage. For tax year 2021, the contribution limit for single coverage is \$3,600 and \$7,200 for family coverage. A catch-up contribution of \$1,000 is available to persons age 55 and older. The contribution limits are adjusted for inflation each year. Contributions may be made for the prior tax year until July 15. Publication 969, Health Savings Accounts and other Tax-Favored Health Plans.

You can make no further contributions after age 65; however, the account may remain open to pay for qualified medical expenses.

Effective January 1, 2011, it will no longer be permissible to use the HSA to pay for over the counter medications and other non-prescription drugs without a prescription. Medical expenses qualified or non-qualified are explained in IRS Pub. 502. You can find this publication online at <https://www.irs.gov/pub/irs-pdf/p969.pdf>.

HSA distributions used for non-qualified medical expenses are subject to ordinary income tax and, if taken before age 65 is 20% IRS penalty tax. (Unless the distribution is because of death or disability).

#### Additional HSA Info:

- Annual Contribution Limits: Prior year contributions can be made until April 15th and should be made in person. It is up to you to inform the teller of the tax year in which you would like it applied. You are subject to IRS penalties if you over contribute. LCNB National Bank will monitor and inform you if you over contribute and are in excess. It is the customers' responsibility to correct the excess contribution once contacted by LCNB National Bank.
- HSAs are for medical use only. You can be subject to income tax and penalties for non-medical use. It is your responsibility to keep receipts in case of an IRS audit. Medical reimbursements to your HSA account should be made in person.

An HSA cannot be overdrawn. An overdrawn balance in your HSA will be considered a Prohibited Transaction. Per IRS section 4975, if you engage in any prohibited transaction throughout the year, **your HSA ceases to be classified as an HSA retroactive to January of the current year.** This means all of your contributions and distributions made throughout the year will not be reported to the IRS as such. **This may result in severe tax implications for you.** To determine the tax implication of such changes, please contact your tax advisor