



# Employer HSA Quick Start Guide



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# HSA Basics



## What is an HSA?

- A Health Savings Account (HSA) is a unique, tax-advantaged account that is used with a high deductible health plan (HDHP) and can be used to pay for current or future qualified healthcare expenses.
- Funds roll over and accumulate year over year if not spent, with the ability to earn tax-free interest on the account.
- Employees also have the potential to build more savings through investing. They can choose from a variety of HSA investment options.
- Additional retirement savings are available after age 65; funds can be used for any purpose without penalty. However, distributions would be taxable if not used to pay for IRS-qualified medical expenses.



## Who is eligible to open an HSA?

- Must be enrolled in a qualified HDHP.
- Must have a valid Social Security number (SSN) and a primary residence in the U.S.
- Must not be covered by any other health plan that is not an HDHP.
- Must not be enrolled in Medicare, including Medicare Part A or Medicare Part B.
- Must not be covered by TriCare.
- Cannot have accessed Veterans Administration (VA) medical benefits in the past 90 days (in order to contribute to an HSA).
- Cannot be claimed as a dependent on another person's tax return.
- Cannot be covered by a Flexible Spending Account (FSA) or Health Reimbursement Arrangement (HRA). Alternative plan designs, such as Limited-Purpose FSA or HRA, might be permitted.



## What are IRS-qualified medical expenses?

- HSA funds can be used to pay for a wide range of IRS-qualified medical expenses, including many that aren't typically covered by health insurance plans. This includes deductibles, co-insurance, prescriptions, dental and vision care, and more. HSA funds may even be used for eligible expenses for the employee's spouse or tax dependents. For a complete list of IRS-qualified medical expenses, visit [irs.gov](https://www.irs.gov) or [hsabank.com/qme](https://hsabank.com/qme).

This material has been prepared for informational purposes only and is not intended as tax or legal advice. HSA Bank does not provide tax or legal advice. If tax or legal advice is needed, please consult with a qualified professional.

## IRS Contribution Guidelines

Employees can contribute a maximum amount to the HSA based on IRS limits. This maximum amount includes any contributions from employers or other sources. Visit [hsabank.com/irs-guidelines](https://hsabank.com/irs-guidelines) for the current contribution limits.

## MEMBER FEATURES AND RESOURCES PROVIDED WITH THE HSA BANK HEALTH SAVINGS ACCOUNT



### Health Benefits Debit Cards

Employees can use their HSA debit card to pay for IRS-qualified medical expenses at the doctor, hospital, pharmacy, dentist, etc., or they can choose to pay out of pocket and reimburse themselves later by using an ATM or online banking transfer.



### HSA Bank Member Website

**myHealth Portfolio<sup>SM</sup>:** Your employees will have a self-service, online dashboard that gives them the complete picture of their health account. The dashboard allows employees to:

- Store health expense data and receipts.
- File claims or distribution requests.
- Initiate a provider payment.
- Consolidate health expenses and claims from multiple insurance providers.
- View healthcare expenses by type (pharmacy or medical), payment status, recipient of the healthcare expense and merchant/provider.

**Online Transfers:** Employees can use the Member Website to initiate payments to providers, reimburse themselves for out-of-pocket expenses, or make a post-tax contribution to their HSA. These options are also available through HSA Bank's mobile app.

**Other Key Features:** Employees can access statements, tax forms, and a variety of educational resources on the Member Website. They can also sign up for account-specific alerts and notifications.



## The HSA Invest program

HSA Invest offers employees a seamless experience to manage their saving, spending and investing on one website and one app. Three investment options — Choice, Select and Managed — give employees thoughtfully chosen securities that are aligned to HSAs and relevant to individual financial objectives. And employees are able to enroll in more than one option.

- Choice offers a simplified brokerage experience with a large range of stocks, mutual funds, exchange-traded funds (ETFs) and more. This option is ideal for experienced investors who may not need guidance from a professional.
- Select offers a recommended list of mutual funds, specific to the investor's unique risk tolerance and investment objectives. All funds are selected by an SEC-registered investment advisor (RIA), organized by asset class, and aligned to your investment profile. This option gives employees guidance and the opportunity to make the financial decision about their investments and allocations.
- Managed offers an even higher level of personalization, where the RIA actively manages the investments on the investor's behalf.

Annual asset-based fees may be applied on a quarterly basis and deducted from the investment balance. Fees are waived when a minimum is maintained in the HSA cash balance. Employees can view exact fees on the Member Website.

A minimum HSA cash balance may be required to invest. Only funds above this minimum may be invested.

The HSA Invest program is administered by DriveWealth, LLC, a FINRA registered broker dealer. LeafHouse Financial Advisors, LLC is a registered investment advisor with the U.S. Securities and Exchange Commission that selects and manages the investments. Registration does not imply a certain level of skill or training. More information about LeafHouse Financial Advisors, LLC, including investment strategies, fees and objectives, can be found in the ADV Part 2A, which is available on the Member Website.

HSA Bank, DriveWealth, LLC and LeafHouse Financial Advisors, LLC are not affiliated and not responsible for the products and services provided by the other. Neither HSA Bank nor DriveWealth can provide investment advice to investors. Past performance is not indicative of future results. All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. The ability to replace investment losses may be limited by the annual HSA contribution limits.

## SECURITIES AND INVESTMENTS

Not Insured by FDIC or Any Other Government Agency	Not Bank Guaranteed	Not Bank Deposits or Obligations	May lose value
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## Mobile Application

The HSA Bank app makes managing health accounts easy with real-time access to important account information. The mobile app can be used to:

- Check available account balances and view transaction details.
- Track expenses.
- Make a distribution or contribution.

Please refer to the Online Services Agreement for further details regarding HSA Bank mobile banking services.



## 24/7 Customer Service

Employees can call our Client Assistance Center 24/7 using the number on the back of their card or reach us by email at [askus@hsabank.com](mailto:askus@hsabank.com).

# Enrollment

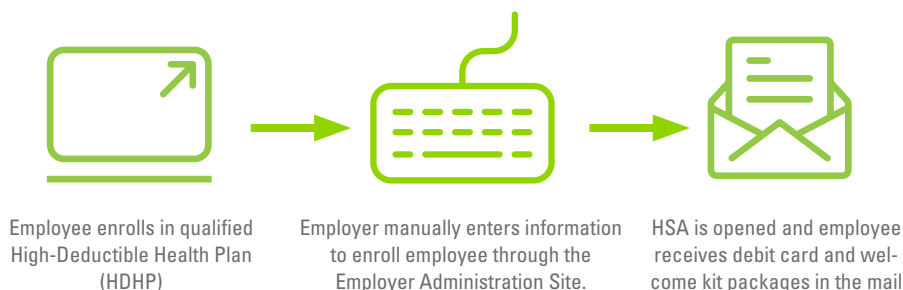
## HSA BANK OFFERS THREE FLEXIBLE AND CONVENIENT ENROLLMENT OPTIONS DESIGNED TO STREAMLINE AND MAXIMIZE HEALTH SAVINGS ACCOUNT ADOPTION.

The options are designed for employers of different sizes and technical capabilities, and offer employer-managed enrollment methods.

Take a look at the guide on the next page to help find the best enrollment option for your program.

### OPTION 1: Direct Entry

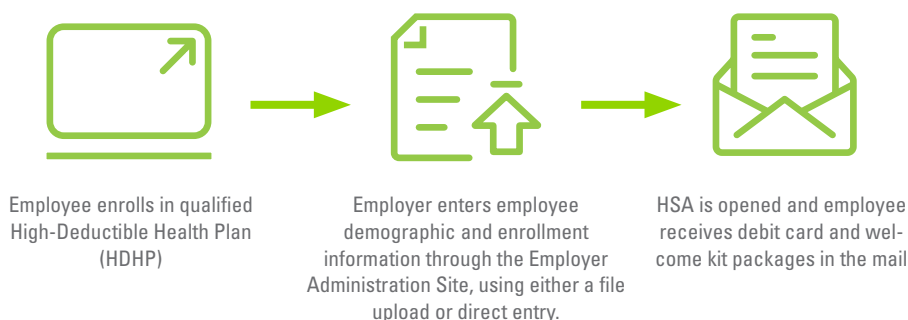
#### Recommended for small number of enrollments



You can enroll employees individually into a Health Savings Account through the Employer Administration Portal. Navigate to Employees and click New Employee. Enter information about your new employee then click New Enrollments to proceed. The system will walk you through the steps to provide required information. This option avoids the need to complete and upload a data file.

### OPTION 2: Portal Enrollment File Upload

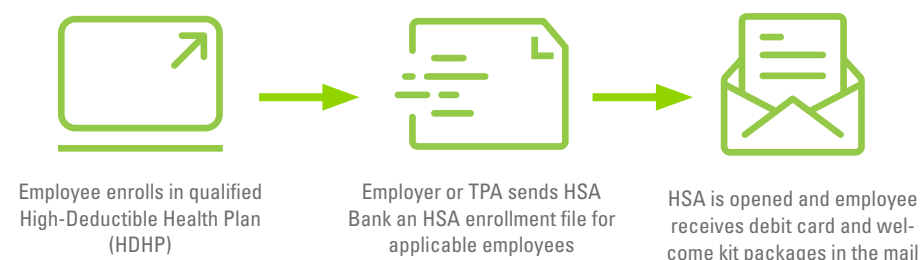
#### Recommended for larger number of enrollments



Through the Employer Administration site, you can easily enroll all of your HSA-qualified employees in an HSA by uploading a Microsoft Excel file containing demographic (e.g. name, address, etc.) and enrollment (eg. health plan effective date, HDHP coverage level, etc.) data.

### OPTION 3: Electronic File Transfer

#### Recommended for mid-size or large employers



The electronic file transfer process allows you or a third-party administrator (TPA) to submit an electronic data file to HSA Bank's FTP/SFTP server to open your employees' HSAs. We will work with your company to ensure that the enrollment file conforms to HSA Bank requirements and standards.

## GUIDE TO SELECTING YOUR ENROLLMENT METHOD

	1	2	3
	Direct Entry	Portal enrollment file upload	Electronic file transfer
Best used for	Any size employer who only needs to enroll one or two employees	Small and mid-size employers (Up to 1,500 employees)	Mid-size & large employers (Only offered to groups with over 500 employees)
Division supported Ability to enroll employees into different company divisions	Yes	Yes	Yes
Who is responsible for sending enrollment files?	Not applicable	Employer through HSA Bank	Employer or third party benefit administrator via SFTP
Primary benefits	Provides an easy, fuss-free way to enroll an employee. (Requires no action from employees)	Provides maximized participation in the HSA (Requires no action from employees)	Provides maximized participation in the HSA (Allows TPA to send enrollment file on your behalf)
Key considerations	You have access to the Employer Administration Site and can provide required demographic and enrollment data on behalf of your employees without completing a spreadsheet/template.	You have access to the Employer Administration Site and can provide required demographic	You can support our standard file format and PGP encryption
Setup time / Documents required	2-3 business days	2-3 business days	4-6 weeks (includes setup and testing) Employer Enrollment Agreement for Electronic Files



## CUSTOMER IDENTIFICATION PROGRAM (CIP)

Due to the USA Patriot Act, all banks are required by federal regulation to implement Customer Identification Programs (CIPs) to prevent financing of terrorist operations and money laundering.

### Required with enrollment:

- First and last name
- Date of birth
- Residential address
- Social Security number



### What if an employee fails the Customer Identification Program?

HSA Bank contacts any accountholder being required to submit additional forms of identification. Those accountholders must submit copies of the following within 90 days of account setup:

- Social Security Card
- U.S. government-issued photo ID, such as a driver's license, passport, or visa, or a state-issued ID card (Note: If the U.S. government-issued photo ID does not display a current address, a utility bill from within the last 3 months displaying the current address will also be needed.)

Identification can be submitted to HSA Bank by using one of the following methods:

- Email: [hsaforms@hsabank.com](mailto:hsaforms@hsabank.com)
- Online: Log in to your HSA account. If you haven't created your username and password yet, please do so at [hsabank.com](https://hsabank.com) and then log in. Next, select Resources from the left navigation, and in the Secure Document Upload section on the right, click Upload.
- Mail: HSA Bank, P.O. Box 939, Sheboygan, WI 53082

All documents must be legible.

### How will HSA Bank contact your employees?

HSA Bank will reach out to all accountholders who are required to submit additional forms of identification. The communication plan minimally consists of the letter frequency listed below.

Employees will receive their first notification within 2 weeks of enrollment and a second notification between 5 to 7 weeks after enrollment, if necessary.

### Tips to Reduce CIP Failures and Other Processing Delays

- Ensure that your records are up to date and the enrollment information is correct when you send it to your Health Plan or HSA Bank.
- When sending employee enrollment files, be sure to provide your employee's physical address. Please do not include a P.O. Box in the residential address field.
- Educate your employees about the CIP process and encourage them to respond in a timely manner.

## GETTING YOUR EMPLOYEES STARTED

HSA Bank gives your employees the tools and support to start, grow, and manage their HSAs.

### Welcome Kit

The welcome kit is a valuable starter package containing important information to get your employee started. It contains a welcome letter, account information, fee schedule, and important disclosures. It arrives approximately 7-10 business days after enrollment processing is completed.

### Debit Card Package

The debit card is mailed in a separate package and arrives approximately 10-14 days after enrollment processing.



# Funding

**HSA BANK OFFERS FOUR CONVENIENT OPTIONS FOR CONTRIBUTING TO YOUR PARTICIPANTS' HSAs BASED ON THE TYPE AND FREQUENCY OF CONTRIBUTIONS YOUR COMPANY ADMINISTERS.**

## OPTION 1: Group Online Contribution (GOC)

### Recommended for small or mid-size employers

GOC enables contributions through a secure online portal. HSA Bank pulls the funds from your external bank account and contributes the funds to employees' HSAs on a one-time or recurring basis. You can submit employer contributions and employee pre-tax contributions at the same time with detailed transaction descriptions on the Member Website.



Enter contribution amounts directly or upload an Excel file to the secure portal.



HSA Bank creates ACH pull.

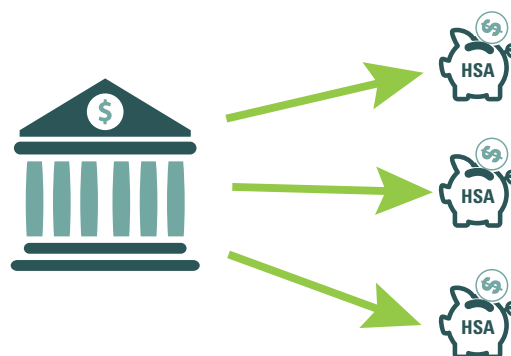


Funds are debited from employer external bank account and allocated to employee HSAs.

## OPTION 2: Direct ACH Contributions (Direct Deposit)

### Recommended for small or mid-size employers

Direct ACH enables employers to utilize their current payroll provider to make employee contributions. Your payroll vendor will need to update their NACHA file in order to code each contribution entry to appear with the appropriate transaction description on the Member Website. HSA Bank will provide employers with the employee account numbers and routing numbers to complete setup for this option.

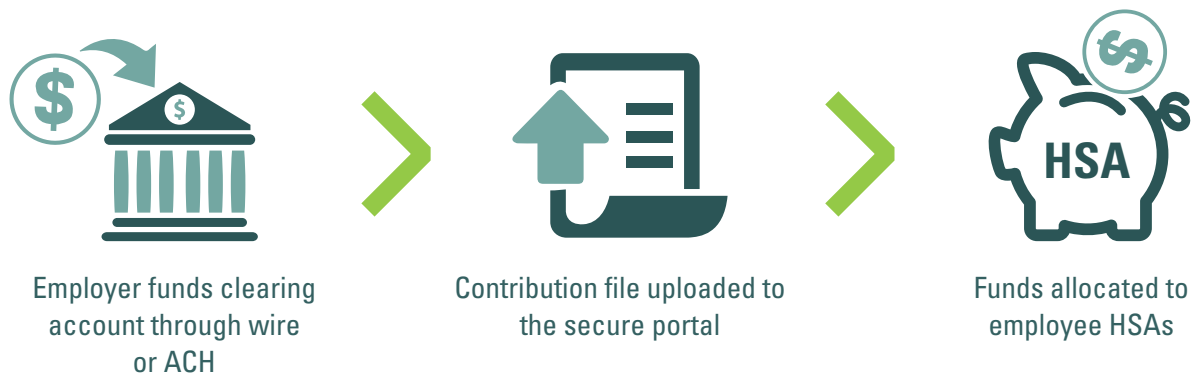


Contributions from an external bank account go directly into employee HSAs through ACH direct deposit.

### OPTION 3: Portal File Upload with Clearing Account

#### Recommended for small or mid-size employers

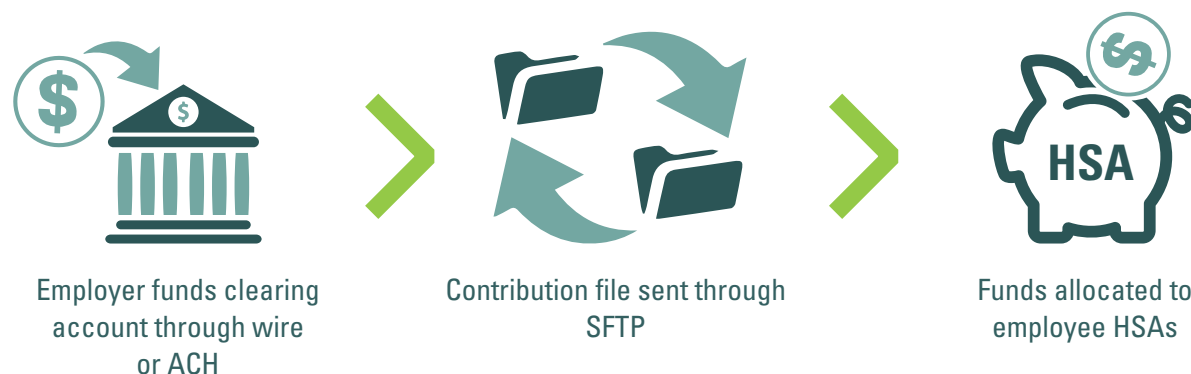
This option allows you to wire funds or send them through direct ACH to a designated clearing account. Emails and reports detail when funds are moved. An electronic contribution file is then uploaded through the Employer Admin Site, which details the contribution instructions to move the funds from the clearing account into your employees' accounts. The wire or ACH received must match the total contribution amount of the file in order for the file to process automatically. Testing of the file format is required.



### OPTION 4: Electronic Contribution File with Clearing Account

#### Recommended for mid-size or large employers

This option allows you to wire funds or send them through direct ACH to a designated clearing account. The only difference between this and option 3 is that the electronic contribution file is sent to HSA Bank through SFTP. Transmission setup and testing are required.



## GUIDE TO SELECTING YOUR FUNDING METHOD

	Option 1	Option 2	Option 3	Option 4
	Group Online Contributions (GOC)	Direct ACH Contributions (Direct Deposit)	Portal File Upload with Clearing Account	Electronic File with Clearing Account
Best Used By	Small and mid-size employers (Up to 1,500 employees)	Small and mid-size employers (Up to 2,500 employees)	Small and mid-size employers (Only offered to groups with over 100 employees)	Mid-size and large employers (Only offered to groups with over 500 employees)
Ability to categorize contributions as Employer/ Payroll	Yes	Yes, if your payroll vendor can support adding additional info to the discretionary data field (Instructions will be provided)	Yes	Yes
Contribution Timing	Minimum of 3 business days after submitted through the portal	Based on payroll vendor	Within 24 hours of funds and matching file receipt	Within 24 hours of funds and matching file receipt
Primary Benefits	Ability to set up recurring contribution schedule	Incorporated into your direct deposit payroll processing; no additional funding process required	Contribution method with clearing account without the need to support FTP/SFTP	Supports automated solution from your payroll system
Key Considerations	Direct debit from your external bank account	May incur additional costs from payroll provider	You can support our standard file format and upload it to the portal	You can support our standard file format and PGP encryption
Implementation Time	3-5 business days	Based on payroll vendor	3-5 business days (includes setup and testing)	4-6 weeks (includes setup and testing)
Additional Documents Required	GOC Set up Form and ACH Origination Agreement	None	HSA Bank Service Agreement	HSA Bank Service Agreement

# Online Resources

**HSA BANK'S EMPLOYER ADMINISTRATION SITE FEATURES A VARIETY OF RESOURCES TO HELP YOU EFFECTIVELY MANAGE YOUR HSA PROGRAM.**

## Reporting



We will provide you with a comprehensive HSA Report Guide that contains all of our available reporting and instructions on how and when to use each report.

## OTHER KEY FEATURES OF THE EMPLOYER ADMINISTRATION SITE

### Online Funding for Employees' HSAs

HSA Bank offers multiple methods for employers to contribute to their employees' HSAs.

### Online Enrollment

Enrollment files can be uploaded online to the Employer Administration Site.

### Forms and Resources

Employers can access several forms and documents to help administer their HSA program.

## KEY FEATURES OF THE EMPLOYER RESOURCE CENTER

Our Employer Resource Center is organized into two unique sites:

**HSA Marketing Tools & Support** site provides access to a robust suite of communication tools designed to maximize HSA benefits. Our integrated marketing program includes videos, flyers, member tools, and newsletters that will effectively introduce the HSA to your employees, as well as encourage them to activate and use their accounts.

**Administrative Tools & Support** site provides the tools and resources that you need to effectively manage your program. Informative videos, training, guides, newsletters, and forms are right at your fingertips. Our site is designed to provide on-demand materials at your convenience.

The Employer Resource Center can be found at [www.hsabank.com/ResourceCenter](http://www.hsabank.com/ResourceCenter).

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» Engage. Enrich. Empower.

**Marketing Tools  
& Support**  
Communications to educate, motivate, and enroll employees.  
**>> EXPLORE**

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