

The HSA Bank Difference

*Savings Opportunities. Account Convenience.
Investment Options.*



HSA Bank
Works with
You

Hsa[®]**BANK**[®]
National Leader in Health Savings Accounts.

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QUALIFICATIONS & EXPERIENCE

HSA Bank has over twelve years of experience in the health-based savings account industry. In 1997, HSA Bank began providing dedicated Medical Savings Account (MSA) administration. Since the passing of the Medicare Act of 2003 and the creation of Health Savings Accounts (HSAs) in 2004, HSA Bank has focused on, and remains exclusively dedicated to servicing and administering Health Savings Accounts. HSA Bank currently administers over 255,000 accounts and nearly \$715 million in deposits, which, according to Inside Consumer-Directed Care, ranks HSA Bank an industry leader.

The HSA Bank Difference

HSA Bank combines flexibility, savings and expertise with its HSA offering. We provide a wide array of enrollment, contribution, distribution and investment opportunities. These flexible options are aimed at delivering the right needs for each employer and their employees. Education and communication are a key component of the implementation of any HSA program. We assist employers in the selection and rollout of the HSA program and combine in-person, Web-enabled, electronic and print media. To enhance the educational experience, HSA Bank also provides opportunities for employers to customization communication pieces.

ENROLLMENT OPTIONS

HSA Bank understands that employers need an HSA enrollment option that aligns with their health plan enrollment needs. HSA Bank offers two Electronic File options and a Group Online Enrollment option to facilitate seamless account opening for the employer and employees.

The HSA Bank Enrollment Advantage

Signature-less Enrollment: HSA Bank has simplified enrollments with signature-less enrollment processes. Through the electronic file options, an approved electronic enrollment file and an employer agreement ensure a stress-free account opening experience. Through the Group Online Enrollment option, all necessary account authorizations are contained in the enrollment process.

Prompt Account Opening: Ninety-nine percent of completed enrollments received through an established employer relationship are opened within 1-2 business days, generally with no additional follow-up required. (Electronic files received before 11 a.m., CT are opened same day.) When sending electronic files, if any required information is missing or invalid, HSA Bank will send a response email with details of what records must be corrected in order for account processing to continue.

Efficient Order Fulfillment: Account welcome kits, debit cards and checks are ordered within 5 days of account opening. If the electronic file is provided at least 15 days prior to the effective date of the health plan, HSA Bank will order materials 10 days prior to the effective date to ensure materials are received by employees before the health plan effective date.

Immediate Account Funding: Account funding can start immediately. If funds are received before the account is established, HSA Bank will hold the funds for up to 90 days and deposit those funds once the account has been opened. For the one percent of accounts initiated by an employer which require follow-up, HSA Bank establishes the account in a frozen status. This means that the account can receive deposits but withdrawals cannot be made until the proper clarifying documentation is provided.

1. Electronic File Enrollment

HSA Bank has established a variety of data file options for enrollments. All files submitted to HSA Bank must include the minimum required information for account processing. Employers are responsible for ensuring that each employee has established the intent to open an HSA. Intent to open an HSA may be obtained through explicit consent on a paper or electronic application or through implied consent during the high deductible health plan enrollment. All employers will need to sign the Employer Agreement prior to beginning the processes identified below.

Standard File Exchange

The Standard Enrollment file option allows employers to provide enrollment files in a standard file format established and provided by HSA Bank. Files are accepted in txt and csv formats. All files are PGP encrypted for security and sent through HSA Bank's FTP server. After submitting each file, the employer will receive an email confirmation with details indicating the status of each record submitted.

Employers are typically set up within 2-3 weeks. Timeframes may be extended based on file format errors during test. There is no charge to set up the standard file exchange.

Custom File Mapping

The Custom File Mapping option provides added flexibility for relationships to submit an alternative data file format which contains the required fields to establish the account with HSA Bank. Often employers will utilize a file which is already being created for the high deductible health plan enrollment. After submitting each file, the employer will receive standard email confirmations with details indicating the status of each record submitted.

Employers are typically set up within 3-4 weeks. Timeframes may be extended based on the complexity of file mapping and during peak enrollment periods. Custom file mapping is typically charged a \$125/hour set-up fee. After reviewing the file format, HSA Bank will provide a cost estimate for setting up the file.

In addition to custom file mapping, HSA Bank understands that some employers and relationships need added flexibility in sending and receiving data responses. HSA Bank has the ability to develop custom data exchange options including: custom file formats, response files, reporting, file segmentation and file submission options.

2. Group Online Enrollment

HSA Bank's Group Online Enrollment system has two parts: Employer Set-Up and Employee Enrollment. Employer Set-Up allows the employer to choose the way their employees enroll, when the applications are processed (Immediate, By Approval, Batch), and who pays for the fees associated with the account.

Employee Enrollment starts after the employer has completed the set-up process. HSA Bank provides a custom link that employees can use to access the Group Online Enrollment system and complete the basic enrollment interface. After enrolling, employees are mailed a welcome kit.

If the employer opts for Immediate or Batch processing, HSA Bank requires that the employer submit a census file prior to their employees' enrollment. A census file lists each employee's name, social security number, and may also contain any additional information requested by HSA Bank during enrollment. The information provided is used to pre-populate the employees' enrollment forms. Census file templates are available on HSA Bank's Employer Site and pre-existing census files can be uploaded online through the Employer Site.

An overview of the Group Online Enrollment process is available at:

http://www.hsabank.com/downloads/employer/goe_guide.pdf.

EMPLOYER ADMINISTRATION AREA

HSA Bank recognizes the important role employers play in the HSA process. To assist them in administering their HSA program and educating their employees, we have developed the Employer Administration Area. Through the Employer Administration Area, employers can set up Group Online Enrollment, make online contributions to employee HSAs, manage company information, update employee listing (add/delete), sign up for our employer e-newsletter, upload contribution files and download communication resources.

Reporting

HSA Bank provides standard aggregate reports, call statistic report options and custom report options. HSA Bank's standard reports provide aggregate information on the employees' accounts at HSA Bank. The aggregate report is provided on a monthly basis and contains: Account Status Figures (New, active and closed); Total and Average Contribution Amounts by employer, employee pre-tax and employee after-tax; Distribution Activity by Source

(Debit Cards, Checks, ACH and Manual Withdrawal); Average Balance Information and Account Usage Statistics (Internet banking, debit cards and investments).

In addition to quarterly paper and monthly E-statements, employees are provided with information for completing their HSA-related tax filing. Each employee receives a year-end status report, 1099-SA and 5498-SA at no charge.

EMPLOYER CONTRIBUTION OPTIONS

HSA Bank offers several ways for employers to fund their employees' HSAs including:

- 1. Online Contributions:** HSA Bank's Group Online Contributions system makes contributing to an employee's HSA convenient and easy through our online Employer Administration Area. We recommend this option for groups with less than fifty employees, but may be used by larger groups. The system allows employers to view pending contributions, add new one-time or recurring contribution, view their contribution history and verify bank information.

A list of the employees with accounts at HSA Bank is provided for the employer to identify individual contribution amounts. When setting up online contributions, the employer specifies the level of funding that will be made to each employee's HSA and the contribution frequency. HSA Bank offers several frequency options for employers to choose from, including but not limited to: one-time, daily, weekly, bi-weekly, monthly, semi-monthly, quarterly or yearly.

HSA Bank's Group Online Contribution system has several convenient features. Our automatic fill-down option allows employers to enter one contribution amount that automatically populates each employee's account if all employees are receiving identical contribution amounts. We also notify employers via email each time a contribution is made from their account. Employers can use archived contribution forms as templates for reoccurring contributions. And, we also offer a dual-control option so the employer can verify that the correct accounts have been set up with the correct amounts. The dual-control option requires one user to set up the contribution, and a second user to review, verify, and approve contributions.

A demonstration of the Group Online Contribution system is available at:

http://www.hsabank.com/downloads/GOC/GOC_demo.html.

- 2. Data File with Wire/ACH:** Wire/ACHs are sent from the employer's account to a clearing account with HSA Bank. Then the money is distributed to the employee's HSA. Wire/ACHs must be accompanied by an electronic Transaction File or HSA Bank-approved Excel Contribution Format directing HSA Bank on how to distribute the funds. The money is then distributed to the employee's HSA according to the information in the file. An assigned Business Relations coordinator will assist with the file set up. If the wire/ACH is received before 11 a.m., CT, the funds are available to employees that day; otherwise, they are available on the next business day.
- 3. ACH Direct:** Employers can utilize their current payroll provider to make contributions directly to their employees' accounts. Our ACH instructions outline how to properly code each contribution entry. Once all employees are enrolled, the employer may request a list of account numbers from HSA Bank to provide to the payroll vendor.
- 4. Check:** The employer can send a check accompanied by an Employer Contribution Form, which should list all the employees with an HSA and the amounts being contributed to each. Contributions made by the employees through a payroll deduction or a Section 125 plan can also be listed on this form.

EMPLOYEE CONTRIBUTION OPTIONS

Employees can contribute to their own HSAs directly through HSA Bank's online contributions system, or by personal check.

- 1. Online Contributions:** The online contributions system is available in HSA Bank's Internet Banking system. Prior to making contributions, the employees must link an external bank account from which to transfer funds to their HSA.
- 2. Personal Check:** Employees can mail a check and contribution form to HSA Bank directly.

DISTRIBUTION OPTIONS

HSA Bank has combined a variety of distribution methods to satisfy each accountholder's needs. Accountholders can access the funds in their HSA by debit card, online transfer, check or withdrawal form.

- 1. Debit Cards:** HSA Bank debit cards can be used for routine and point-of-sale purchases or for ATM withdrawals. In addition to our standard HSA Bank card stock, we offer both co-branded and private label cards. The co-branded option allows an employer to add its logo to the card. The private label option allows employers to design their own card, purchase the custom designed card stock and provide custom logo cards to their employees.

Multi-purse benefits cards are another option currently provided through Evolution Benefits and Metavante. Evolution Benefits provides real-time substantiation of prescription drug transactions. They have direct data links in place with premier pharmacy benefit managers (PBMs) including Medco Health, Caremark Rx (Advance PCS), Express Scripts, Argus and MedImpact. Metavante supports real-time claim feeds from three of their PBM vendors; Caremark, Express Scripts and Medco.

- 2. Online Transfer:** Accountholders have the option to reimburse themselves for out-of-pocket expenses by making an ACH transfer from their HSA to their personal checking account. This option allows them to utilize online bill pay services offered through their regular financial institution.
- 3. Checks:** Employees can order checks for their HSA that provide convenience for routine and point-of-sale purchases. They can also be used for reimbursement of medical expenses paid out-of-pocket from other accounts.
- 4. Withdrawal Form:** A withdrawal form can be submitted and is ideal for large medical expenses or for reimbursement to the accountholder for medical expenses paid out-of-pocket.

ACCOUNT ACCESS

Members can access their account information through Internet Banking, Bankline and HSA Bank's Client Assistance Center.

Internet Banking

HSA Bank specifically designed its Internet Banking system to assist in Health Savings Account management. Year-to-date information provides accountholders with cumulative contribution and distribution details for the current and prior year. Accountholders can receive email confirmations, view check images, access tax documents, link to additional healthcare resources, download transaction information or make contributions.

Bankline

Accountholders can access their account balance and transaction history 24 hours a day, 7 days a week through this toll-free, automated banking system.

Client Assistance Center

Accountholders can receive detailed account information in English or Spanish by contacting our knowledgeable and friendly Client Assistance Center representatives Monday through Friday, 7 a.m. to 9 p.m., CT.

HSA PROGRAM COMMUNICATION

HSA Bank understands that a clear, concise and consistent message is essential to a successful HSA program. The number of employees that enroll in an HSA program increases based on the level of understanding that both employers and employees have about the purpose of an HSA and how to maximize the benefits. Increased adoption can mean increased premium savings for the employer. Accordingly, HSA Bank offers a comprehensive selection of training and education resources.

Employer Communication Kit

HSA Bank provides a comprehensive Communication Kit which guides employers through implementation, pre-enrollment, enrollment, and ongoing education of their HSA program. The Communication Kit combines presentations, printed materials, calculation tools and employer-facilitated memos for each phase of the process.

Employer Welcome Kit provides information that employers can use to design and communicate their HSA program such as:

- An Employer Guide that provides in-depth, step-by-step instructions for implementing an HSA plan with HSA Bank.
- Employer Site Instructions including an explanation of our employer contribution options.
- Best practices and program design tips.

Pre-Enrollment Phase provides the employer with resources to educate their employees prior to enrollment with items like the:

- HSA Fact Sheet
- HSA Brochure
- Web tools, including the “Is an HSA Right for Me?” decision tool
- Educational PowerPoint and Adobe® Flash presentations

Enrollment Phase keeps both employers and employees informed with:

- Employee communications that explain how employees enroll and what they can expect next
- Samples of employee and employer email notifications
- Sample Employee Welcome Kits

Post-Enrollment Phase provides information that can be tailored to the employer’s communication objectives with topics like:

- Consumer Tips
- Account Management
- Savings Potential

Presentations

HSA Bank offers several different presentation formats, including webinars, Adobe Flash® and PowerPoint®, all of which can be customized to the employer’s needs.

Webinars: HSA Bank offers customized and standard webinars throughout the year with sample topics that include:

- “Why choose an HDHP with an HSA?”
- “What is an HSA?”
- “How to design successful HSA programs”
- “How to use an HSA”

Adobe Flash animation & PowerPoint presentations: HSA Bank presentations provide general information on HSAs, HSA Bank services and the benefits of HSAs to employers and their employees.

Online Decision Tools

“Is an HSA Right for Me?” Calculator - HSA Bank created a calculator that compares traditional health plans with an HSA-compatible health plan. The calculator takes the information provided and determines the cost of each plan. It also describes some tips and benefits of an HSA.

http://www.hsabank.com/calculators/decision_tool.aspx

“Future Value” Calculator - HSA Bank developed the Future Value Calculator to show employees the financial impact of an HSA has both now and in the future. The calculator estimate the potential value of employees’ HSAs, the tax savings on their contributions, and tax-deferred growth based on the information they enter.

http://www.hsabank.com/calculators/future_value.aspx

ACCOUNT OPTIONS

Bank Account

All accounts are FDIC insured through Webster Bank, N.A. HSA Bank uses a tiered interest rate structure with applicable rates determined by the daily balance maintained in the bank account throughout the month. The published rates are based on the Annual Percentage Yield (APY) and are subject to change. Fees may reduce earnings. Please find HSA Bank’s most recent tiered rates at www.hsabank.com

Investment Options

HSA Bank offers non-FDIC insured investment options for individuals who wish to invest their HSA funds. Our TD Ameritrade Corporate Services option provides accountholders access to stocks, bonds and over 11,000 mutual funds. Trades can be made online or by phone. Individuals can track their investments through online access and quarterly statements. Online access also allows employees to get quotes, make trades and fully manage their investments. HSA Bank does not charge for these services; however, trading fees collected by TD Ameritrade may apply.

Our Mutual Fund Selection option provides employees with the option to invest in a variety of mutual funds. The employee determines the percentage to invest in each fund and which funds to sell first if funds are needed to pay a medical expense. This 401(k)-type investment program has an annual fee of \$24.00.

Investment accounts are not FDIC insured, may lose value and are not a deposit or other obligation of, or guarantee by the bank.

Replacement of investment losses is subject to the annual contribution limits of the HSA.

PRICING STRUCTURE

HSA Bank’s pricing has no set up fee regardless of the enrollment method chosen (electronic, online, paper). There is a \$2.25 monthly maintenance fee which includes the cost of four-year debit card renewals. The monthly fee is waived on accounts with average balances of \$3,000 or more. This pricing structure generally requires invoicing the employer for the monthly fee rather than deducting it from the employee accounts; however, invoicing options are left up to the employer.

SERVICE & SUPPORT

Customization Opportunities

HSA Bank provides various levels of customization, including options for websites, marketing materials, enrollment documents, welcome kits, debit cards, toll-free numbers and statements. Please see the attached Customization Guides.

Exceptional Support

HSA Bank believes in providing personal attention as the expectation, not the exception. Our customer service was noted in *Kiplinger’s Personal Finance* along with our low fees and variety of investment options as reasons HSA Bank is the “Best Place for a Health Savings Account.”

Regional & Assistant Vice Presidents- HSA Bank offers localized service through a nationwide network of Regional Vice Presidents (RVPs) and Assistant Vice Presidents (AVPs). RVPs and AVPs work hard to help the employer implement the best HSA plan for their company. They may also provide Employer and Employee training through in-person presentations, if requested.

Business Relations - HSA Bank's Business Relations Coordinators are available to assist employers with any questions, concerns or issues that may arise with their HSA program. Business Relations Coordinators are available Monday through Friday, 7 a.m. to 7 p.m. CT, and can be reached at (866) 357-5232 or email businessrelations@hsabank.com.

Client Assistance Center - HSA Bank's Client Assistance Center is dedicated exclusively to supporting HSA administration for employees and accountholders, and is designed to help employees with any questions they have both before enrollment and after. The Client Assistance Center representatives are experts in HSAs and can answer all HSA-related questions. Client Assistance Center representatives are available Monday through Friday, 7 a.m. to 9 p.m., CT. Employees can reach them at (800) 357-6246 or email askus@hsabank.com.

Both HSA Bank's Business Relations department and the Client Assistance Center maintain, during standard operating periods (May through December), at least 90% of calls answered within 30 seconds. During peak enrollment periods (January through April), at least 80% of calls shall be answered in 20 seconds. The Abandonment rate for both Business Relations and Client Assistance Center is less than 5% of calls. In addition, 95% of email correspondences are responded to within 2 business days, and 100% responded to within 5 business days.

Spanish Materials & Support - HSA Bank's comprehensive brochure, enrollment forms and account maintenance forms are available in Spanish. To request these materials or for assistance with a question, contact an HSA Bank Spanish Language Representatives at (866) 357-6232, Monday through Friday, 7 a.m. to 9 p.m., CT.