

Frequently Asked Questions

Employer Frequently Asked Questions

Q. What happens if accountholders do not transfer their funds to the new custodian?

A. The account will transition from the employer group to a retail group at your prior custodian. The account would be subject to monthly fees they may not have been previously charged.

Q. Can I enforce the transfer of the funds from the prior custodian to the new custodian?

A. No, HSA accounts are individually owned accounts and the accountholder can choose to leave the funds with the prior custodian.

Q. Can an accountholder have two HSA's?

A. Yes, an individual can have more than one HSA. The accountholder would still be required to adhere to the IRS contribution limits for the combination of all accounts.

Q. Why do the accountholders have to complete a form/e-consent?

A. The prior custodian requires verification from the accountholders that they want their funds transferred.

Q. How will we know when the transfers are complete?

A. One of the benefits of initiating a bulk transfer is that you are kept up to date on every step. This will include a confirmation of the transfer funds being posted.

Q. Why is there a blackout period?

A. The blackout period is necessary as the prior custodian needs to allow time for transactions to process on the account. Time is also needed to process the account closings.

Q. Will accountholders have access to their HSA funds at the prior custodian during the transfer process?

A. Accountholders will still have access to these funds up until the blackout start date. However once blackout begins, cards and access to funds will be frozen until transfer is complete and these funds are then available at the new custodian.

Q. Will accountholders have any access to HSA funds at the new custodian during the transfer process?

A. Yes, accountholders will have access to any funds deposited into the HSA at the new custodian throughout the entire process.

Q. Why did my employee's funds not transfer even though they consented to the bulk transfer?

A. Listed below are some reasons why an employee's funds may not have transferred even though they completed the consent process. Please reach out to the prior custodian for more detailed answers.

- Employee's account is not in Open/Active status at the new custodian.
- Employee's consent form is not completed or signed.
- Employee's account already closed or has a \$0 balance at the prior custodian.
- Employee did not liquidate investment dollars on time, if applicable.

Employee Frequently Asked Questions

Q: What happens if I don't elect to transfer my HSA at this time?

- A. If you keep your HSA with your prior custodian and participate in the new custodian's HSA, you will have two active HSA accounts. All of your current year contributions through your employer will be deposited into your new HSA.

Q: What happens if I have an investment account with my prior custodian?

- A. In order to participate in the bulk transfer, you must disable your auto sweep (if applicable) and liquidate your investment balance (if applicable), prior to transferring funds. If you do not liquidate your investment balance, your account will not be transferred. For detailed instructions regarding liquidation requirements, please refer to your employer.

Q: Is this transfer of funds considered a distribution from my prior account or considered as a contribution to my new account?

- A. Neither. The amount transferred directly from one HSA trustee or custodian to another trustee or custodian is not included in income, nor is it deducted as a contribution or included as a contribution on Form 8889 – Health Savings Account (HSA) tax form. In other words, it will not count toward your annual IRS contribution maximum for the year.

Q. Will I have access to my HSA funds at the prior custodian during the transfer process?

- A. You will still have access to these funds up until the blackout start date. However, once blackout begins, your card and access to funds will be frozen until transfer is complete and these funds are available at the new custodian.

Q. Will I have any access to HSA funds at the new custodian during the transfer process?

- A. Yes, you will have access to any funds deposited into the HSA at the new custodian throughout the entire process.

Q: Is there a cost to transfer my account?

- A. There may be a closure fee when transferring funds from one custodian to another. This closure fee varies based on custodian. Please ask your employer for specific details.

Q. Why did my funds not transfer even though I consented to the bulk transfer?

- A. Listed below are some reasons why your funds may not have transferred even though you completed the consent process. Please reach out to your employer for more detailed answers.

- Your account is not in Open/Active status at the new custodian.
- Your consent form is not completed or signed.
- Your account already closed or has a \$0 balance at the prior custodian.
- You did not liquidate investment dollars on time, if applicable.