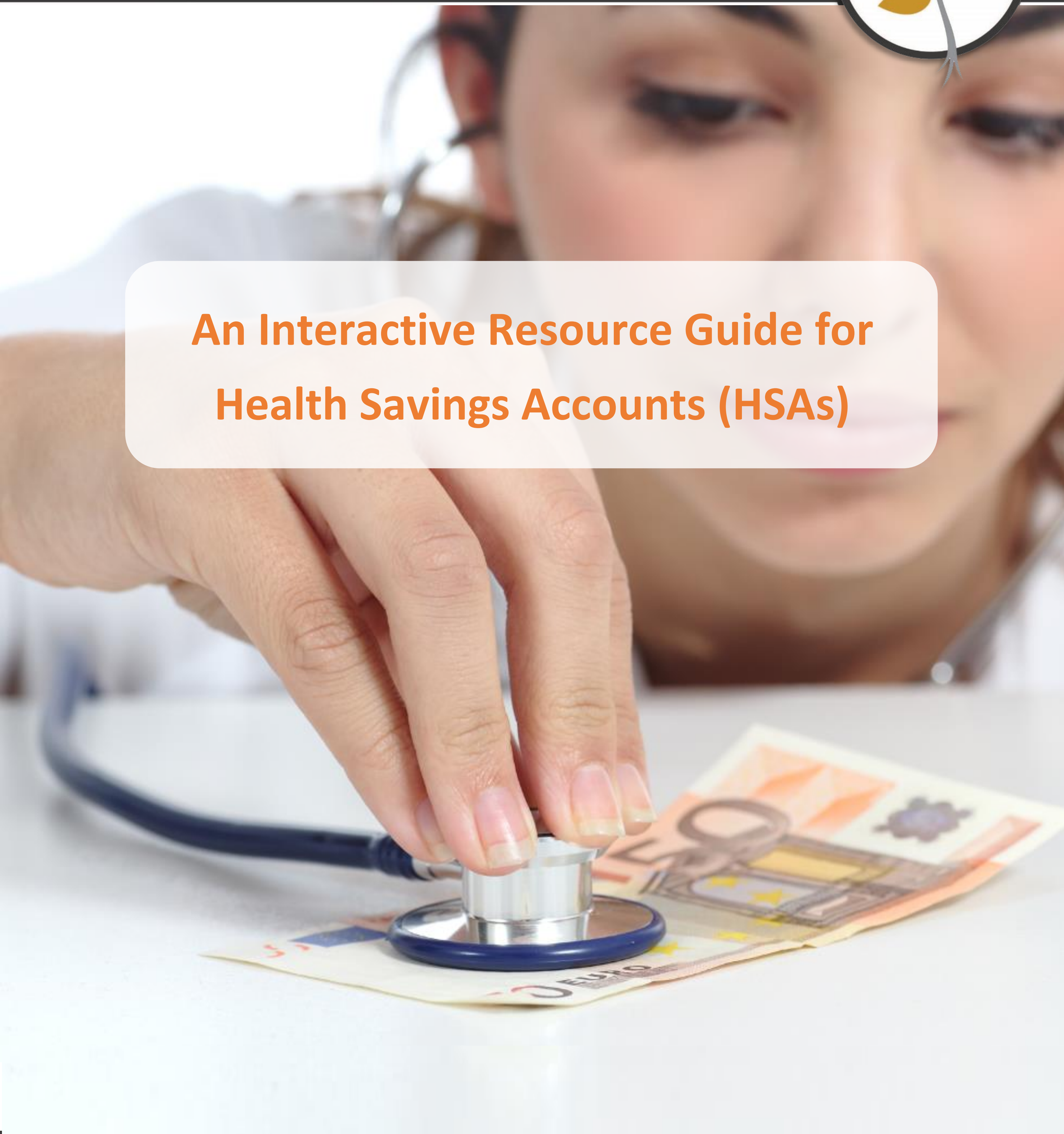
HSA Resource Guide



An Interactive Resource Guide for Health Savings Accounts (HSAs)

Overview and Chart of Contents

Due to **Open Enrollment Season** for Health Insurance, autumn is a busy time for opening Health Savings Accounts (HSA's). This Resource Guide is intended to be your **one-stop resource** for all topics pertaining to Health Savings Accounts (HSA's). HSA topics are charted below with a brief description. **Simply click a topic's icon** to view its related resources. To return to this page, select the icon at any point.

Select any icon, or click the text to begin.

- **HSA Product Information**

  Contains general HSA product information

- **HSA IRS Resources**

  Lists links to valuable resources located on IRS.gov **Customer should be referred to their tax advisor for HSA tax questions and personal implications

- **HSA Account Opening**

  Contains instructions for account opening and necessary documentation

- **HSA Check Orders**

  Provides information on HSA check orders through Deluxe

- **HSA Contributions**

  Provides contribution dollar limits and circumstances when a contribution form is needed

- **HSA Debit Cards**

  Contains HSA debit card information

- **HSA Distributions**

  Lists circumstances when a distribution form is needed

- **HSA Employee Accounts**

  Provides additional steps needed for opening employee accounts. Links to FFC's Total Rewards employee information on HSA's

Navigation Explanation

Navigating this resource guide is made to be user friendly with **the power of "clicks."** When you see a resource icon or underlined text you want to know more about, simply **click the text or icon** to follow its link to the website or file. To return, click the icon.

The resources are color coded with icons describing the type of resource. Below are the main icons and their descriptions.

This home icon will bring you back to the **table of contents** at any point during your browsing. This way, if you are in a section and want to quickly get to another, simply click the home icon and select a new category.

This document icon indicates that the resources associated with the **training department**. Many times these will be easy to follow job aids.

This bank icon indicates the resources are found **on the HUB** outside of the Center for Learning and Talent Development.

This is an **external link** icon indicating that the resources are associated **outside the hub**.

Click this icon to go back to the **Table of Contents** to select another section

Health Savings Account Product Information

What is a Health Savings Account?

A Health Savings Account (HSA) is a tax-exempt custodial account established for the purpose of paying or reimbursing qualified medical expenses for the owner of the account, his/her dependents, or spouse. Your affiliate bank is the custodian of the account. The account is a checking account.

Who qualifies to open or contribute to a Health Savings Account?

Must- Individuals **mus**t be covered under a **High Deductible Health Plan (HDHP)**

Must Not- Individuals **must NOT** be **covered by Medicare** or **other health insurance plan**

Must Not- Individuals **must NOT** be a **dependent on another person's tax return**.

****Note**: **FFC is NOT responsible for determining an individual's eligibility to open or contribute to an HSA****

Per IRS rules, overdrafts are not permitted and overdraft protection is not available with the Health Savings Account. The HSA product is an Overdraft Elect Non- Participant product. In addition, the product is set up to not allow a service charge to put an HSA into overdraft. If an overdraft were to occur (authorized debit card transaction we must pay), the account does not need to be closed if the overdraft is cleared within our standard collection timeline. The Overdraft Fee, NSF Fee and Extended Overdraft Fee are not charged on a Health Savings Account.

Additional Links and Resources

Link	Description
HSA Features and Benefits	Click the link to view Features of FFC's HSA and the Benefits of an HSA Account
Retail Manual - HSA	Click the link to locate the HSA Section of FFC's retail manual
Product Info Sheets	Click the link to locate FFC's Product Information Sheets on Health Savings Accounts

HSA Account Opening

There are **two sets of procedures** listed below for **opening an HSA Account**.

- The first set of account opening procedures are for opening an HSA for the owner of the account and the owner requests no debit cards except for his/her own use.
- The second set of instructions are for opening an HSA and the owner would like additional Debit Cards for spouse or dependents.

For regulatory purposes:

- CIP the owner of the HSA (SOW) and any additional Debit Card holder (AUT)
- Verify through CHEX Systems/Qualifile the owner of the HSA (SOW) and any additional Debit Card holder (AUT). If the family member is on CHEX, you may not order an HSA debit card for him/her.
- CDD the owner of the HSA (SOW) and any additional Debit Card holder (AUT)
- KYA is completed by the owner of the HSA (SOW)

For assistance with opening or maintaining a Health Savings Account, please contact the Support Center at X13333 Option 3 or supportcenter@fult.com.

Additional Links and Resources

Account Title and Setup	Click this link to refer to the FFC Account Title and Setup Standards for Consumer Accounts
Account Opening1	Click this link for Aperio instructions to open an HSA for an individual with only his/her debit card
Account Opening2	Click this link for Aperio instructions to open an HSA and to order additional cards for spouse or dependents
Documents / Disclosures	Click this link to access a list of the required documents for Account Opening

HSA Contributions

All HSA Contributions are made using a **checking account deposit ticket**

Accept contributions only during the year that the owner has a High Deductible Health Plan. For example, the customer opens an account in November of 2016 but will not have a HDHP until January 1, 2017. Do not fund the account in 2016.

All HSA Contributions are coded as **current year normal contributions** if no contribution form is used

Contributions for a prior year may be made up to the **tax filing deadline** (Monday, April 17, 2017 for the year 2016) and require a Contribution Form.

An **HSA Contribution Form** is needed for the following circumstances:

- Customer is making a contribution for a **prior year** (indicate correct year on Contribution Form)
- Customer is making a **catch-up contribution** (up to an additional $1000 contribution for individuals aged 55 and over).
- Customer is making a **roll-over contribution** (depositing funds that are being transferred from another HSA)

Contributions made by a business for various employees require special handling at the branch. Click the Retail Manual link below and locate those contribution instructions on Page 7.

****Note: A "mistaken distribution" occurs when an account owner or beneficiary receives a distribution as the result of a mistake of fact due to a reasonable cause, for example, when the account owner reasonably, but mistakenly, believes than an expense is a qualified medical expense. Mistaken distributions may <u>not</u> be returned to the Health Savings Account. The account owner, or a person acting on behalf of the account owner, <u>may</u> make a separate contribution in the amount of the mistaken distribution. However, that contribution must be included in determining whether contributions exceed the maximum annual contribution limit for the Health Savings Account.****

Additional Links and Resources

Contribution Limits	Click this link to view HSA contribution limits for 2016 to 2017
Retail Manual - HSA	Click and view Page 7 for instructions on business contributions for various employees

HSA Distributions

Distributions (withdrawals) from a Health Savings Account may be made by **check or debit card purchase** for qualified medical expenses.

Withdrawals from the HSA may only be requested by the account owner and, after the death of the account owner, the designated beneficiary. The account owner may also designate one or more persons as an authorized user of a debit card, to request withdrawals on his or her behalf. All account inquiries and debit card maintenance must be conducted by the owner of the HSA (SOW).

When a customer **makes a withdrawal** at the branch **or wishes to close an HSA and receive the balance** remaining in the account, an HSA Distribution Form should be completed. A DDA Debit Ticket should be used.

Distribution reasons include:

- Normal Distribution (funds will be used for medical expenses)
- Death of the HSA Owner
- Transfer
- Disability
- Correction of Excess Contribution

Additional Links and Resources

Distribution Form

Click this link to view a sample distribution form

Retail Manual - HSA

Click and view Page 3 for additional distribution information

HSA - FFC Employee Accounts

The Total Rewards area of FFC has published information on the HUB to educate employees about Health Savings Accounts.

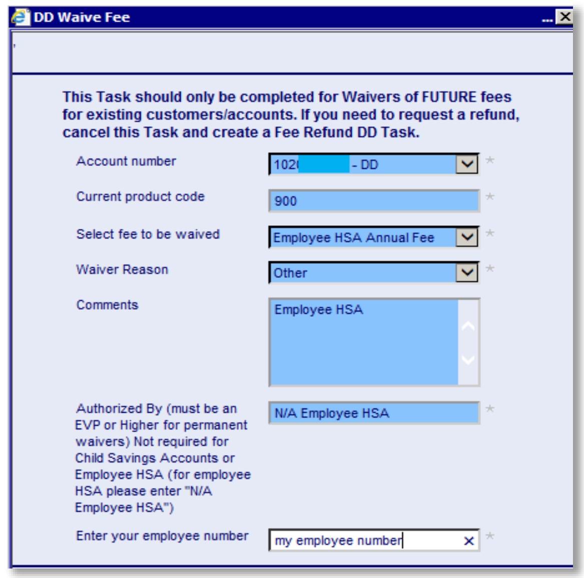
FFC employees **are not** charged the annual fee for HSAs.

FFC employees **do pay** for any additional debit cards for family members. Create a task in Aperio to charge the fee:

Category: Bankcard
Task: Replacement/HSA Card Fee

The debit card fee will be charged to the account by the BankCard Department after the account is funded.

FFC employees receive the free starter pack of checks. Additional check orders **are charged** to the employee.


DD Waive Fee

This Task should only be completed for Waivers of FUTURE fees for existing customers/accounts. If you need to request a refund, cancel this Task and create a Fee Refund DD Task.

Account number	102 - DD
Current product code	900
Select fee to be waived	Employee HSA Annual Fee
Waiver Reason	Other
Comments	Employee HSA
Authorized By (must be an EVP or Higher for permanent waivers) Not required for Child Savings Accounts or Employee HSA (for employee HSA please enter "N/A Employee HSA")	N/A Employee HSA
Enter your employee number	my employee number

Retail Staff opening **FFC employee accounts** will need to take additional steps when opening the account:

1. Fulton Financial Corporation should be selected as the **HSA Company Code**
2. Create an **Aperio Task** to waive the annual fee:
   Category: **Transactions Savings**
   Task: **Fee Waiver DD**

   Complete fields as shown to the right**.**

Additional Links and Resources

Total Rewards — Click this link to view employee information on the HUB page

HSA Debit Cards

All Debit Cards that are ordered require an HSA Debit Card Authorization Form. The owner of the account will sign the form as Account Holder. The owner will also be Authorized User #1. Any additional family member that requires a card will be Authorized User #2. More than one Authorization Form may be needed if more than 2 cards are ordered (card for owner/card for spouse/card for child – will require 2 forms).

The Sole Owner of the HSA receives a free debit card.

Additional debit cards for family members may be ordered with a fee of $5.00. Create an Aperio Task to charge for the additional cards:

Category: Bankcard
Task: Replacement/HSA Card Fee

The debit card fee will be charged to the account by the BankCard Department after the account is funded.

The HSA Visa Debit Card has unrestricted ATM use (deposits, withdrawals, and inquiries). Foreign ATM withdrawal and inquiry fees are charged based upon the Retail Fee Schedule. Debit Card Limits are listed on the chart below. Limits may be raised temporarily if needed for a debit card purchase.

H.S.A. Card Type "H"	ATM ONLINE	ATM OFFLINE	POS ONLINE	POS OFFLINE
VIP Class				
0	615	315	2,000	1,000

Additional Links and Resources

Debit Card Authorization

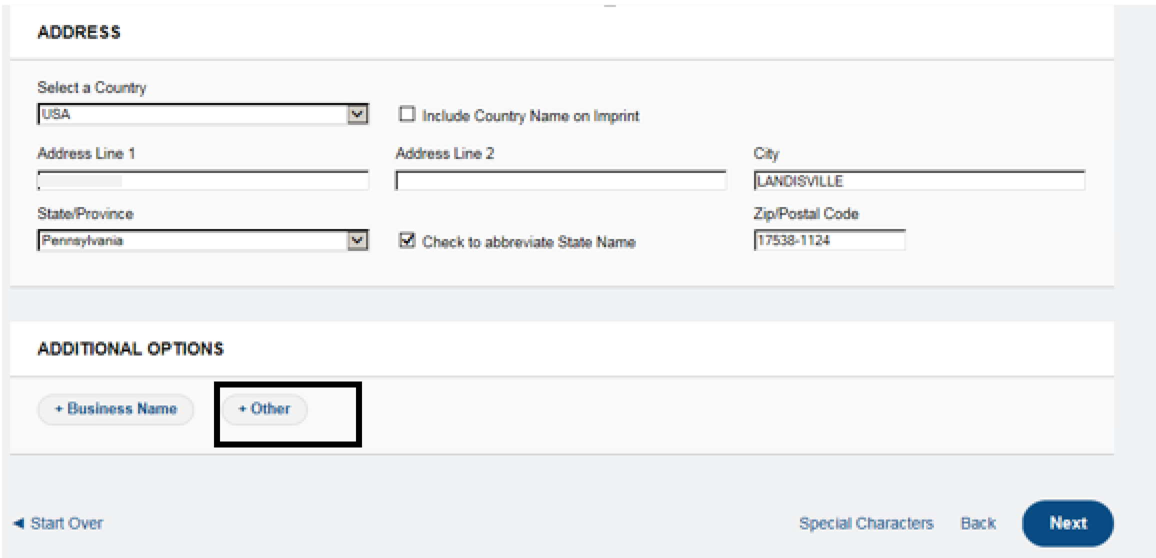
Click this link to go to view a sample *Debit Card Authorization Form*

HSA Check Orders - Deluxe

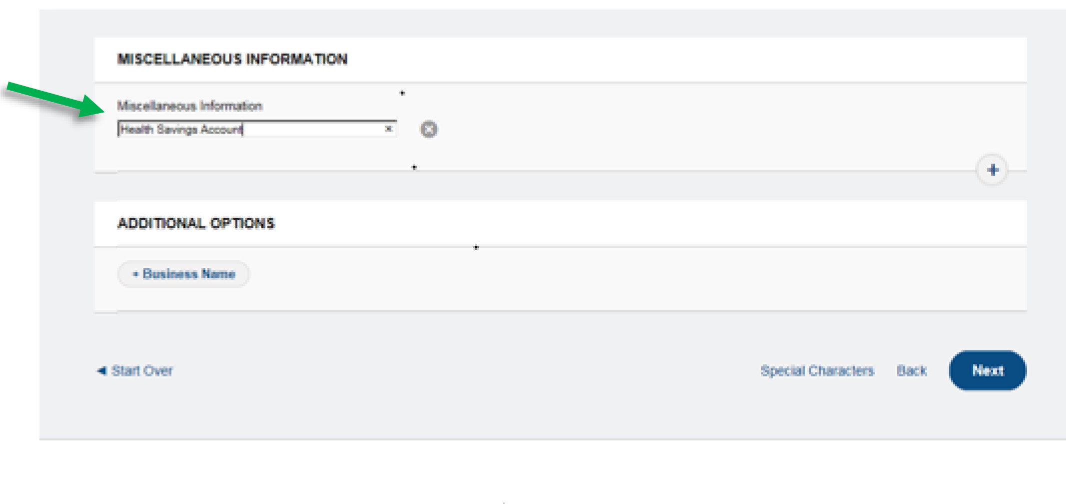
Starter Pack of Checks:

The starter pack of checks is free to the customer.

To imprint Health Savings Account on the checks, click Other in the ADDITIONAL OPTIONS area underneath the customer address:

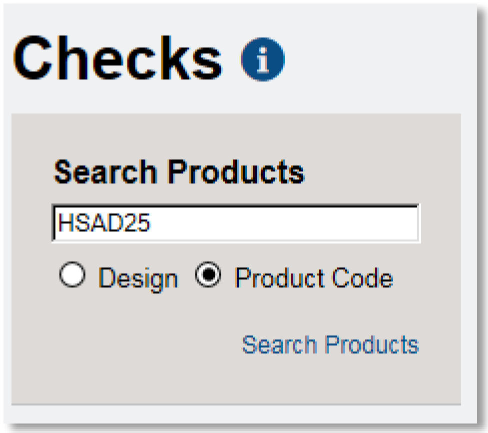


Type "**Health Savings Account**" in the Miscellaneous Information field



Click Next

Select Checks



Select Product Code

Search **HSAD25**

Include a **free cover**

Complete the check order

Subsequent Check Orders:

Customers (including employees) are charged**.**

HSA IRS Resources

Customer should be referred to their tax advisor for HSA tax questions and personal implications

Tax Documentation:

1099-SA: Annual statement provided to an HSA Owner and the IRS showing total distributions taken from a Health Savings Account during the prior year. The 1099-SA is mailed on/before January 31st. These documents may be located in Aperio>Year End Reports & Notices>1099-SA

5498-SA: Annual statement provided to an HSA Owner and the IRS showing the total contributions made for the prior year and the Fair Market Value of the HSA at the end of the year. The 5498-SA is mailed on/before May 31st. These documents may be located in Aperio>Year End Reports & Notices>5498-SA**.**

Additional Links and Resources

Publication 969

Click this link to access *IRS Publication 969 Health Savings Accounts and Other Tax-Favored health Plans*

Publication 502

Click this link to access *IRS Publication 502 Medical and Dental Expenses*