

Health Savings Account



This booklet outlines information about Paychex Benefit Account Health Savings Account. For convenience in maintaining your account, register for the Paychex Benefit Account Services website at <https://paychexflex.com>.



What Is an HSA?

An HSA is known as a Health Savings Account. This is an employee funded account created in the employee's name which requires enrollment in a qualifying High Deductible Health Plan (HDHP) and allows employees to pay for current/future medical expenses tax-free. An employer can make contributions to an employee's HSA. Using the HSA, employees gain control over health care spending because there is no "use it or lose it" requirement; employees can grow the account balance year after year.

Why Should I Participate in an HSA?

Tax Savings. An HSA allows for triple-tax savings:

1. Tax-free contributions.
2. Tax-free earnings in cash or investment accounts.
3. Tax-free withdrawal when used to pay for qualified medical expenses.

Estimate how much you can save with an HSA by using the [HSA Tax Savings Calculator](#).

Budgeting. Regular payroll deductions help you budget medical, dental, and vision expenses.

Ease and Convenience. The PBA Employee Website is available 24 hours a day/7 days a week, at www.paychexflex.com.

Still unsure if you'll have HSA-eligible expenses? For a complete list of HSA Eligible Items and Services, visit <https://hsastore.com/HSA-Eligibility-List.aspx>.



Visit HSastore.com/FlyerPC for the largest selection of guaranteed HSA-eligible products with zero guesswork. Get \$5 off with code, **FCPC5**. One use per customer.

HSA Tools

Visit the PBA Employee Website at www.paychexflex.com or use the Paychex Benefit Account mobile app to:

- Update your email address or home phone number;
- Request HSA distributions;
- Review account balances and contribution amounts;
- Request HSA forms; or
- View important related balance information.
- With a bank account on file you may make extra contributions outside of normal payroll deductions

You can download the PBA mobile app on the website by clicking **Tools & Resources** from the home page.

When Can I Enroll in HSA?

To have an HSA you

- must have coverage under an HSA-qualified high-deductible health plan (HDHP)
- cannot be claimed as a dependent on someone else's tax return, and
- cannot be enrolled in Medicare.

If you have a HDHP you are eligible to enroll in the HSA for any month you are covered.

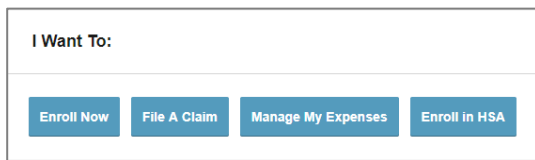
How Do I Enroll?

If you meet the plan's eligibility requirements outlined in the SPD, you can enroll anytime using the website. Once enrolled the per-pay amount will stay the same indefinitely until you make a change.

Sole proprietors, partners in a partnership, greater than two percent owners of an S-Corporation, and members of LLCs taxed as such, and their family members, are not eligible to make pre-tax contributions in a Section 125 plan. They can make post-tax contributions to an HSA.

Enrolling Online

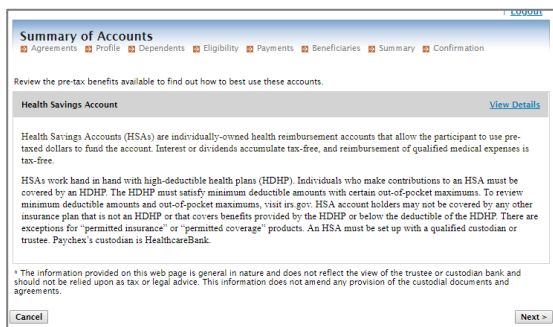
1. Log in to www.paychexflex.com and select Benefits Account (PBA). From Home Screen under the menu saying, I Want To..., click the **Enroll in HSA** button.



I Want To:

[Enroll Now](#) [File A Claim](#) [Manage My Expenses](#) [Enroll in HSA](#)

2. After reviewing the pre-tax benefits available, click **Next**. Ask your employer for a copy of the SPD for specific plan details; this page is an overview.



Summary of Accounts

Review the pre-tax benefits available to find out how to best use these accounts.

Health Savings Account [View Details](#)

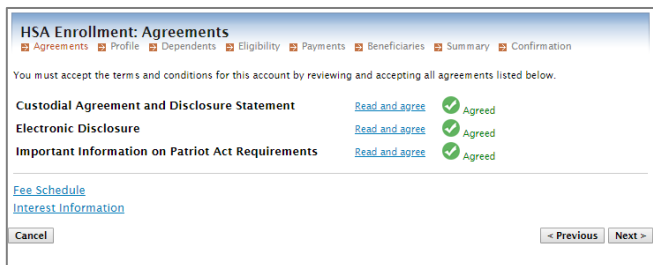
Health Savings Accounts (HSAs) are individually-owned health reimbursement accounts that allow the participant to use pre-taxed dollars to fund the account. Interest or dividends accumulate tax-free, and reimbursement of qualified medical expenses is tax-free.

HSAs work hand in hand with high-deductible health plans (HDHP). Individuals who make contributions to an HSA must be covered by an HDHP. The HDHP must satisfy minimum deductible amounts with certain out-of-pocket maximums. To review minimum deductible amounts and out-of-pocket maximums, visit www.irs.gov. HSA account holders may not be covered by any other insurance plan that is not an HDHP or that covers benefits provided by the HDHP or below the deductible of the HDHP. There are exceptions for "permitted insurance" or "permitted coverage" products. An HSA must be set up with a qualified custodian or trustee. Paychex's custodian is HealthcareBank.

* The information provided on this web page is general in nature and does not reflect the view of the trustee or custodian bank and should not be relied upon as tax or legal advice. This information does not amend any provision of the custodial documents and agreements.

[Cancel](#) [Next >](#)

3. Review and read the agreements. You can save and print as desired. Once you have reviewed there is a check box next to "I have read and agree..." for each that must be checked. Once you have agreed to all you can select **Next**.



HSA Enrollment: Agreements

[Agreements](#) [Profile](#) [Dependents](#) [Eligibility](#) [Payments](#) [Beneficiaries](#) [Summary](#) [Confirmation](#)

You must accept the terms and conditions for this account by reviewing and accepting all agreements listed below.

Custodial Agreement and Disclosure Statement [Read and agree](#) Agreed

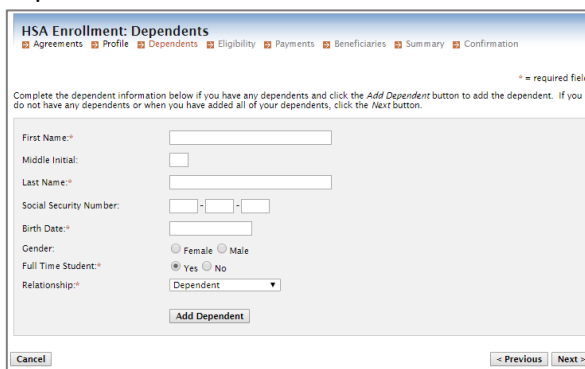
Electronic Disclosure [Read and agree](#) Agreed

Important Information on Patriot Act Requirements [Read and agree](#) Agreed

[Fee Schedule](#)
[Interest Information](#)

[Cancel](#) [Previous](#) [Next >](#)

4. Verify your Profile information and then click **Next**.
5. If you have dependents, complete fields with their information and click **Add Dependent**. If you do not have any or have added all dependents click **Next**.



HSA Enrollment: Dependents

[Agreements](#) [Profile](#) [Dependents](#) [Eligibility](#) [Payments](#) [Beneficiaries](#) [Summary](#) [Confirmation](#)

Complete the dependent information below if you have any dependents and click the [Add Dependent](#) button to add the dependent. If you do not have any dependents or when you have added all of your dependents, click the [Next](#) button. * = required field

First Name:*

Middle Initial:

Last Name:*

Social Security Number: - -

Birth Date:*

Gender: Female Male

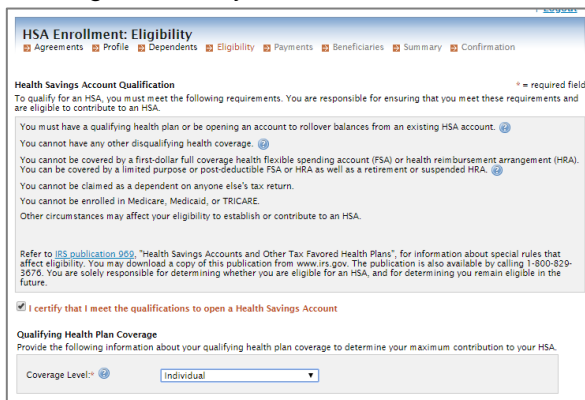
Full Time Student:* Yes No

Relationship:*

[Add Dependent](#)

[Cancel](#) [Previous](#) [Next >](#)

6. Review HSA requirements to ensure you qualify. If you do check the box. Select the coverage level for your HDHP and click **Next**.



HSA Enrollment: Eligibility

[Agreements](#) [Profile](#) [Dependents](#) [Eligibility](#) [Payments](#) [Beneficiaries](#) [Summary](#) [Confirmation](#)

Health Savings Account Qualification * = required field

To qualify for an HSA, you must meet the following requirements. You are responsible for ensuring that you meet these requirements and are eligible to contribute to an HSA.

- You must have a qualifying health plan or be opening an account to rollover balances from an existing HSA account.
- You cannot have any other disqualifying health coverage.
- You cannot be covered by a first-dollar full coverage health flexible spending account (FSA) or health reimbursement arrangement (HRA). You can be covered by a limited purpose or post-deductible FSA or HRA as well as a retirement or suspended HRA.
- You cannot be claimed as a dependent on anyone else's tax return.
- You cannot be enrolled in Medicare, Medicaid, or TRICARE.

Other circumstances may affect your eligibility to establish or contribute to an HSA.

Refer to [IRS publication 939](#), "Health Savings Accounts and Other Tax Favored Health Plans", for information about special rules that affect eligibility. You may download a copy of this publication from www.irs.gov. The publication is also available by calling 1-800-829-3070. You are solely responsible for determining whether you are eligible for an HSA, and for determining you remain eligible in the future.

I certify that I meet the qualifications to open a Health Savings Account

Qualifying Health Plan Coverage

Provide the following information about your qualifying health plan coverage to determine your maximum contribution to your HSA.

Coverage Level: Individual

7. Select **Direct Deposit** or **Check** for your secondary reimbursement method and click **Next**.

HSA Enrollment: Payments
 Agreements Profile Dependents Eligibility Payments Beneficiaries Summary Confirmation

Reimbursement Method
 How would you like to receive distributions?

Direct Deposit
 Reimbursement amounts will be deposited to your designated bank account within three business days after the request. You must provide a form and verification of your account number (e.g. voided check) for direct deposit services.

Check
 A reimbursement check will be sent via U.S. mail within 7 days after the request.

Cancel < Previous Next >

8. Enter your beneficiary information. You can click **Add Beneficiary** to add more than one. Once all have been added click **Next**.

HSA Enrollment: Beneficiaries
 Agreements Profile Dependents Eligibility Payments Beneficiaries Summary Confirmation

You may designate a beneficiary for your Health Savings Account. The designated beneficiary will receive your HSA assets in the event of your death.
 If you are married in common law or in a community property state, you must designate your spouse as your Primary Beneficiary. You can change beneficiaries by submitting a notarized Beneficiary Change Form with your spouse's signature of consent.
 Please complete the fields below with the requested beneficiary information.

First Name *
 Middle Initial
 Last Name *
 Social Security Number *
 Birth Date *
 Address Line 1 *
 Address Line 2 *
 City *
 State *
 Zip Code *
 Type *
 Relationship *
 Share Percentage *

Add Beneficiary

Cancel < Previous Next >

9. Verify your account information. If incorrect you can select **Update** to make changes. Once all information is accurate click **Next**.
10. Review information and click **Submit Enrollment**.

HSA Enrollment: Creation Authorization
 Agreements Profile Dependents Eligibility Payments Beneficiaries Summary Confirmation

By submitting the enrollment, you are requesting that a Health Savings Account be opened in your name.

I affirm that all information I have provided is true and correct and may be relied upon by the Designated Representative and the HSA Custodian.

I understand the eligibility requirements for this HSA and I state that I am responsible for determining whether I qualify to make deposits to this HSA. I am responsible for:

A. Determining that I am eligible to make contributions to a HSA for each year I make a contribution;
 B. Ensuring that all contributions are within the maximum limitations set forth by the tax laws, taking into account my coverage and the applicable deductible under a high deductible health plan;
 C. The tax consequences of any contributions (including rollover contributions) or distributions;
 D. Seeking the assistance of a qualified tax or legal professional to address any questions or concerns I may have about eligibility, contribution limitations, or the taxation of contributions or distributions from my HSA.

I certify that I have received a copy of the enrollment form, the Custodial Agreement, Disclosure Statement, and the Privacy Policy. I understand that I may revoke the HSA on or before seven (7) days after the date of establishment. I have not received any tax or legal advice from the Designated Representative or the Custodian, and I will seek the advice of my own tax or legal professional to ensure my compliance with related laws. I release and agree to hold the Custodian and Designated Representative harmless against any and all claims or losses arising from my actions.

Submit Enrollment < Previous

11. You will receive a confirmation message confirming enrollment. Shortly after you will receive an email confirmation which contains a link to a form for you to elect what dollar amount you would like to contribute each paycheck. Once this questionnaire is completed, your new per pay deductions will be set up with payroll within 3 business days.

How Much Should I Elect?

Account holders can contribute to their HSAs each year that they are eligible up to the IRS-established limit. These limits include both participant and employer contributions combined.

- For 2020, the limit is \$3,550 for individual coverage or \$7,100 for family coverage.
- For 2019, the limit is \$3,500 for individual coverage or \$7,000 for family coverage.

Upon reaching age 55, you can make up to \$1,000 in additional catch-up contributions per year.

Eligible Expenses and Reimbursement

A Normal Distribution from an HSA is a type of claim made against the HSA for anything paid for out of pocket, for a qualified medical expense.

HSA-qualified medical expenses include:

- out-of-pocket medical expenses for most medical and related care and related services, dental and vision care
- over-the-counter drugs prescribed by a doctor
- COBRA payments
- HSA-qualified long-term care insurance premiums
- HSA-qualified health insurance coverage while an account holder is receiving unemployment
- Medicare premiums for those 65 and older
- HSA-qualified out-of-pocket expenses, including deductibles, co-pays, and coinsurance for Medicare

Reimbursement Timing

You can submit a distribution request online or by submitting a paper form. Once received it will be processed within five business days.

HSA Debit Card

If offered by your employer, you can use the PBA Debit Card to pay for HSA-eligible items and services at point-of-sale rather than submitting a claim reimbursement request. Debit cards will be denied for purchases of over-the-counter medicines and drugs other than insulin.

HSA Direct Deposit

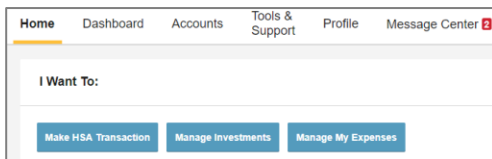
HSA direct deposit allows you to receive reimbursement through direct deposit to your bank account.

Termination

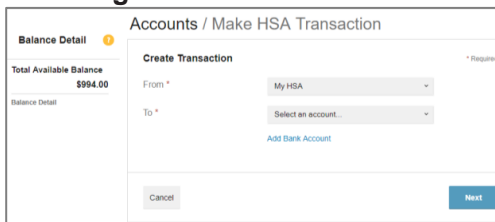
If your employment is terminated, you will have 30 days to either move the account to another HSA provider of your choice, or keep the money with Paychex as an Individual HSA.

How Do I Submit a Distribution?

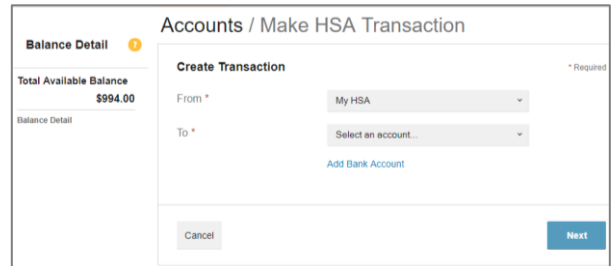
1. To submit a distribution request, log in to www.paychexflex.com and select **Benefits Account (PBA)**. From the menu saying, **I Want To...**, click **Make HSA Transaction**.



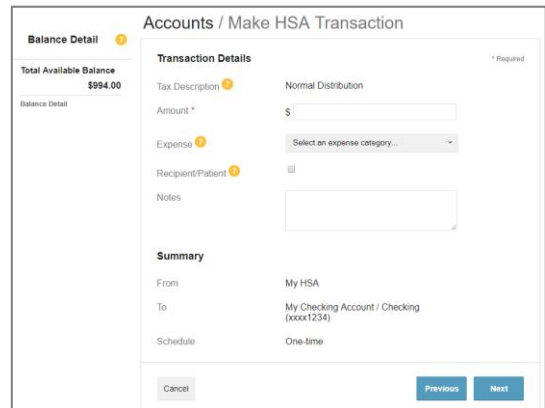
2. In the **Create Transaction From** drop-down menu, select the account you'd like to be reimbursed from, and in the **Pay To** drop-down menu you can choose **Me** or **My Checking Account**.



3. In the **Create Transaction From** drop-down menu, select the account you'd like to be reimbursed from, and in the **Pay To** drop-down menu you can choose **Me** or **My Checking Account**.



4. For the frequency, you can select **One-Time** or **Schedule**. Then click **Next**.
5. Complete the required fields with details of your request and then click **Next**.



6. Review the Transaction Summary. You need to agree to the information and terms. You can select **Save for Later**, **Add Another** or **Submit** to complete.

HSA Investment Account

HSAs can grow through investment earnings. To increase the value of your account for retirement you must set up an HSA Investment Account. Money within that account is invested in mutual funds (like a retirement/401k account).

To set-up your Investment Account, from the Home page under the menu saying I Want To: click **Manage Investments**.



You have the ability to view the investment options right on the Consumer Portal, including fact sheets, prospectus, access a Guidance Tool, and Frequently Asked Questions (FAQs). For advice on investment choices, we recommend you contact your personal financial advisor for assistance. To access the fund lineup and prospectus information through the consumer portal: From the Home page, click on Accounts and then under Investments select Education.

The process for investment funding works as follows:

- 1) You set up the investment threshold (the minimum is \$1500).
- 2) You or your employer make a contribution which goes into the Cash Account.
- 3) Once contributions exceed the investment threshold by \$100.01, funds are automatically moved to the Investment Account. (i.e. The first time funds are moved is when your balance reaches \$1600.01 and then moved in increments of \$100 after)
- 4) The contributions are then applied to the investments you selected.
- 5) If your Cash Account is less than the investment threshold, funds are sold from your Investment Account to replenish the balance in your Cash Account.



<https://paychexflex.com>

This guide is not intended to provide legal or accounting advice.
The legally binding operation of the plan is controlled by the Service Agreement,
Adoption Agreement, and/or other legal plan/account documents.