

## How you can work with HSA Bank

### ENROLLMENT OPTIONS

HSA Bank provides flexible enrollment options, including online or paper enrollment methods.

#### HSA Bank Online Enrollment

- **Group Online Enrollment** - The employer determines how the enrollments will be processed and who will be paying for fees. The employer also has the ability to upload basic census data for each employee. Once the group is set-up, the employer provides a link to employees for enrollment.
- **Individual Online Enrollment** - The individual completes the enrollment information on our website. The set-up fee and cost of checks, if ordered, must be paid by credit card. Once the information is submitted, the account is established.

#### Paper Method

The paper method allows the employees to complete the application by hand. The employer would generally submit the entire group as a batch with one check for the group. The employer may also track and receive summary reporting on the entire group by including their federal ID number on the employee applications. (Typically used by small groups)

#### Integrated Options:

HSA Bank can integrate the Health Savings Account enrollment into an employer's health plan enrollment options or offer electronic enrollment options. To discuss these options, please contact our Business Relations Team.

### CONTRIBUTION OPTIONS

1. **Online Contributions:** Our Online Contribution system allows employers to send contributions via the internet. Employers are able to submit one-time for both the employer and employee payroll contributions.
2. **Data File with Wire/ACH:** Wires are sent to a clearing account with HSA Bank. Then, the money is distributed to the individual HSAs. Wires must be accompanied by an electronic Transaction File or HSA Bank-approved Excel Contribution Format directing HSA Bank on how to distribute the funds. A Business Relations Coordinator will assist with the file set-up. If the wire is received before 11 a.m., CST, the funds would be available to the employee on the same day; otherwise, funds will be available 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 needs to request a list of account numbers from HSA Bank.
4. **Check:** The employer can contribute by sending a check accompanied by the Employer Contribution Form, which lists all the employees and the amounts being contributed for each. Contributions made by the employees through a payroll deduction or a Section 125 plan can also be listed on this form.

### FUNDING OPTIONS

All accounts are FDIC insured through our parent company, Webster Bank, N.A. HSA Bank's current Annual Percent Yield (APY) is described below.

	APY
• Daily balances of <b>\$15,000.00 or more:</b>	4.75%
• Daily balance is <b>greater than \$4,999.99 and less than \$15,000.00:</b>	3.30%
• Daily balance is <b>greater than \$2,499.99 and less than \$5,000.00:</b>	2.30%
• Daily balance is <b>greater than \$499.99 and less than \$2,500.00:</b>	2.00%
• Daily balance is <b>less than \$500.00</b>	1.00%

*APY effective as of July 31, 2006 and subject to change. Fees could reduce earnings.*

## Investment Options

For individuals who want additional investment options, HSA Bank offers non-FDIC insured brokerage services. Our self-directed brokerage 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. The online access also allows employees to get quotes, make trades and fully manage their investments. Investments are not guaranteed and may lose value.

Our Mutual Fund Selection option provides an employee with the option to invest in a selection of historically high-performing mutual funds or the employer can mirror the mutual fund options available through its 401k plan. 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.

## DISTRIBUTION OPTIONS

HSA Bank has combined a variety of distribution methods to satisfy each accountholder's needs. Through our standard options, accountholders can access the funds in their HSA through a debit card, checks, or a withdrawal form. Debit cards and checks provide convenience for routine and point-of-sale purchases. The debit card can also be used for ATM withdrawals. A withdrawal form can be submitted and is ideal for large medical expenses or to reimburse the accountholder for medical expenses paid out-of-pocket.

In addition to our HSA Bank card stock, we offer both co-branded and private label cards. The co-branded option allows an employer to add its logo on the HSA Bank card stock. The other option allows employers to design their own private-label card, purchase the custom designed card stock at cost and provide custom cards to their employees through HSA Bank.

For 2006, HSA Bank intends to offer an online bill pay option, which allows participants to remit payment from their HSA to a provider through our Internet Banking system.



## ACCOUNT ACCESS

Members receive access to their account information, through Internet Banking and Bankline.

### **Internet Banking**

To assist in account management, we have specifically designed our Internet Banking system for HSAs. Year to date information provides accountholders with cumulative contribution and distribution details for the current year and prior year. Accountholders can receive email confirmations of transaction detail, view check images, and download transaction information. Accountholders may also make contributions to their HSA through our online contribution system. Simply set up an account to transfer funds from and make contributions to an HSA.

### **Bankline**

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

## RESOURCES AND SUPPORT

### Reporting

Through our employer login area, employers are able to manage company information, employee listing (add/delete), sign-up for our employer e-newsletter, and upload an employer contribution file. In 2006, HSA Bank intends to provide employer reporting information, including: average balances, average distributions, average contributions by source, and account feature usage.

We can also provide employers with customized reports, including: call center statistics, number of accounts, account usage, and more. A set-up fee may be charged for the initial set-up of a customized report.

### Training Resources and Tools

HSA Bank provides a comprehensive training program by combining in-person training sessions, webinars, FLASH animation presentations, and customized PowerPoint presentations.

- **Macromedia® Flash animation training presentations:** Our Flash Animation presentations provide easy to follow demonstrations and explanations of HSAs and our product options. The Flash presentations seek to bridge the education gaps between employers and employees as well as employees and their spouses.
- **Customized PowerPoint presentations:** Our HSAs 101 and HSA Bank services presentations can be customized to include an employer's health plan information, contribution options and amounts, and more.

- **Webcasts:** HSA Bank provides standard presentations through pre-recorded webcasts. The webcasts are available for download and cover several different topics.

**Sample Topics**

- What can an HSA and HSA Bank offer? (Staff training)
  - Why choose an HDHP and HSA? (Employers & Employees)
  - How to design your plan offering (Employers)
  - What is an HSA? (Basic and Advanced)
  - How to use your HSA (Individual)
- **Webinar presentations:** HSA Bank provides standard and customized webinar presentations. The webinar presentations provide an interactive environment for employers and employees to learn about HSAs and our product options.
  - **Calculation tools:** Allows an employee to calculate his/her maximum contribution, future value of the HSA, and tax savings on HSA contributions. HSA Bank's calculation tools are available online through our website.
  - **Customized health plan comparison:** HSA Bank can provide employers with a customized comparison of the health plan options provided to the employees. The comparison illustrates the expenses incurred under each plan option for a healthy person, the average spender, and an unhealthy person.

**Customization Opportunities**

HSA Bank provides various levels of customization, including options for website, marketing materials, enrollment documents, welcome kits, debit cards, toll-free numbers and statements. Materials are customized with basic tracking information at no charge. HSA Bank charges a fee of \$125 per hour (minimum one hour) for website customization and \$100 per hour for material changes to the enrollment forms and other marketing materials.

**Personal Support**

HSA Bank believes in providing personal attention as the expectation, not the exception, and our knowledgeable staff provides the best service in the industry. Our Business Relations team provides assistance with implementations and ongoing support to carriers, TPAs, agents/brokers and employer groups. Our client assistance center provides both English and Spanish language support to clients and prospective clients concerning HSAs, account set-up, and ongoing account support.

- Dedicated Business Relations Coordinators, available 7 a.m. – 7 p.m., CST, Monday–Friday (*except holidays*): (EMPLOYER)
- Client Assistance Center, available 7 a.m. – 9 p.m., CST, Monday–Friday (*except holidays*): (EMPLOYEE)
- Spanish Language Assistance, available 8 a.m. – 5 p.m., CST, Monday–Friday (*except holidays*)

## **Service Fee Schedule**

### **Set-up Fees**

#### Bank Account

HSA Bank Online Enrollment (Group or Individual).....	\$18.00
Handwritten Application .....	\$25.00

### **Monthly Fee**

Monthly Bank Account Fee .....	\$2.25
<i>Waived on balances of \$3,000 and above</i>	

#### *Services Included in Monthly Fee*

Initial debit card at account opening (up to 2).....	Included
Debit card point-of-sale purchase via signature .....	Included
Unlimited Check Transactions .....	Included
Check images returned with monthly bank statement .....	Included
Contribution processing by wire transfer, ACH, online, and check .....	Included
Monthly Statements .....	Included
1099, 5498, or year-end status.....	Included
Online Account Access .....	Included
Bankline (800-565-3512) balance, transactions inquiries, etc.....	Included

### **Investment Options**

#### *Annually*

Self-directed brokerage (Stocks, Bonds, Mutual Funds) – Additional trading fees apply.....	No charge
Best of Breed (8-12 Mutual Funds) – No additional trading fees (restrictions may apply).....	\$25 annually <sup>1</sup>

### **Specialty Services**

Fifty HSA checks (including ten deposit tickets).....	\$7.95
Two year debit card renewal cost (per card) .....	\$3.00
Replacement of lost debit card (per card) .....	\$6.00
Termination of Debit Card access.....	\$6.00
Per PIN withdrawal (ATM or point-of-sale) .....	\$1.50
Process Manual Withdrawal Request.....	\$4.00
Excess Contribution Distribution.....	\$20.00
Close Account Fee .....	\$25.00
Deposited item returned unpaid to us.....	\$10.00
Overdraft/NSF per item drafted against HSA .....	\$20.00
Wire transfer sent or received .....	\$15.00
Stop Payment Requests per item.....	\$16.00
Request additional copy of debit card transaction merchant receipt .....	\$25.00
Request additional copy of 1099, 5498, year-end status, check image, or statement (Available online at no charge).....	\$2.00
Corrected IRS filing fee (non-bank error).....	\$10.00

<sup>1</sup>**Custom Mutual Fund Options Available:** Employers have the opportunity to customize the mutual fund options available to employees. For example, an employer may decide to match the funds offered in the HSA to the company 401K plan. A set-up fee is charged to the employer for this option.