

## Account Holder FAQ

### Overview

#### **Are there any specific actions an account holder needs to take with this move?**

The account and any investment account will move automatically without the account holder taking any action.

There are, however, additional activities that will occur during the transition to Acclaris, Inc. that the account holder should be aware of:

1. **Scheduled HSA outage:** While your HSA is being moved to Acclaris, Inc. you will not have access to your HSA for nine days from Monday, November 6<sup>th</sup> through Tuesday, November 14<sup>th</sup>. During this period, you will not be able to access your HSA balance, submit for HSA reimbursements, make additional contributions, use your debit card, or make changes to investments. You can minimize impact by planning ahead and using funds in your account for eligible expenses before November 6<sup>th</sup>. You can also use another form of payment during the outage and reimburse yourself from your HSA at the end of the outage.
2. **Mailings:** Look for mailings from Acclaris including a welcome kit, debit card mailing, PIN mailing, and—if applicable—investment kit.
3. **Automated payments:** Review any automated payments after November 15<sup>th</sup>. If you have automatic payments linked to your current card(s) (for example, mail order prescriptions), provide your new card number.
4. **Automated investments:** If you currently have auto-investment set up with Bank of America, you will need to set up auto-investment with Acclaris, Inc.
5. **Verification requests:** Take action on any verification request: If you receive a letter requesting specific documentation to verify your identity as part of Section 326 of the USA Patriot Act. Please respond promptly to any such request.

### Outage from Monday, November 6<sup>th</sup> through Tuesday, November 14<sup>th</sup>

#### **Why is there an outage?**

The outage has been established to allow time for existing account transactions to settle, to move the accounts, to verify account balances, and to ensure everything is working as expected.

#### **What will the account holder be able to do during the outage?**

During the outage, the account holder will not have access to any HSA-related activities. They will not be able to use the HSA debit card, view HSA transactions or HSA balance information, submit an HSA claim online, make direct contributions to the HSA, or make changes to investments.

The member portal will continue to be available during the outage for other areas.

#### **How will medical claims work during the outage?**

Any claims that would normally be available for payment by the HSA will continue to display. However, HSA options will not be available. On Wednesday, November 15<sup>th</sup>, account holders

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will be able to use their new debit cards (once activated) and perform online transactions. Medical and Rx claims that came over before will be available for reimbursement or payment from the HSA. New medical and Rx claims that were held during the outage will be sent overnight on Wednesday, November 15<sup>th</sup> and display on Thursday, November 16<sup>th</sup>.

### **What changes on the member portal?**

There are no material changes to member portal functionality. In instances where materials referenced Bank of America as custodian, they will now reference Acclaris as custodian.

## Mailings

### **How will account holders be notified of the change in custodian/depository and the outage?**

The account holder will receive either four or five mailings in total.

1. A notification package mailed approximately 30 days before the beginning of the outage begins. (mailed at the end of September) that includes a reassignment notification from Bank of America and other information about the outage.
2. A welcome kit from Acclaris with the account ID and other general information about the Acclaris HSA (mailed at the end of October).
3. A debit card package mailed in early November. This date should permit cards to be in hand and available for use on Wednesday, November 15<sup>th</sup> when the outage has ended.
4. A PIN mailing that provides a password for the debit cards (mailed shortly after the debit card package).
5. Account holders with investments will also receive an investment kit (later in November).

## Automated Payments

### **Why do I need to Notify Vendors about Automated payments?**

Because the numbers on the debit cards are changing, anyone with an HSA debit card who has set up recurring payments, will need to contact the providers with the new debit card information. Any recurring payments scheduled for during the outage will decline.

## Investments

### **How are investments being handled with the transition?**

There will be no access to investment accounts during the nine-day outage. Any existing investments will be transferred as part of the transition. Investments are being transferred in kind, meaning there is no fund share liquidation. If there is market fluctuation either positive or negative, that will reflect in the balance of the investments that are transferred. Devenir, LLC will continue to provide brokerage services.

### **Does the investment minimum change?**

No. The investment minimum remains at \$500.

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### **What if an account holder wants to avoid market fluctuation risk?**

The account holder has the option of liquidating investments through Sunday, November 5<sup>th</sup>. These changes will follow standard liquidation timing rules. If the changes are made on the days leading up to the beginning of the outage, the transaction will complete during the outage and the updated balance will not be available until the end of the outage.

### **Will the account holder be able to keep current investments?**

Current investments will transfer in-kind and will be marked as sell-only (there will be no ability to purchase additional shares). The account holder will need to choose new investment fund allocations for any future contributions. This includes any previously established auto-investments.

### **Where can the account holder see the new investment options**

The new investment options will be available in the investment area after the account has been moved.

### **Will account holders be able to view investment history after the transition to Acclaris, Inc.?**

No. Investment transaction history from prior to the move will be available only through quarterly investment statements that have been mailed. An account holder can also download prior quarterly statements before the transition.

## Verification Requests and Customer Identification Process (CIP)

### **Will the account holder go through the customer identification process (CIP)?**

Yes. Acclaris, Inc. is under legal obligation to complete CIP verification on all transitioned accounts. The CIP verification will occur after the account is transitioned and will not impact the members' ability to use the account.

### **Will an account that is in pending CIP verification be transitioned to Acclaris, Inc.?**

Any account that is in pending status will transition to Acclaris, Inc. and remain in pending status. Acclaris, Inc. will reinitiate CIP verification. Pending account holders will receive notification and should respond with appropriate documentation as required.

## Debit Cards

### **Will everyone who has a debit card today receive a new card?**

Yes. Anyone listed on the account with an HSA debit card will receive a new debit card during the transition. The new HSA cards are orange, blue, and white and are labeled "spending account."

### **When will the cards be mailed?**

The cards will be mailed in one envelope around Wednesday, November 1<sup>st</sup>, addressed to the primary account owner. This means that cards should arrive during the outage and will be available for use immediately on Wednesday, November 15<sup>th</sup> when the outage has ended. Note

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that although the cards can be activated during the outage, they will not have funds available until the outage ends.

### **Can the new card(s) be activated before the outage ends?**

Yes. The card(s) can be activated as soon as they arrive. Funding will not be available on the cards until Wednesday, November 15th.

### **Is there anything different about the cards?**

Unlike today, each card will have a unique 16-digit card number and each card will need to be activated by calling the number that is on the sticker attached to the card. Note that if an account holder has multiple cards in his/her name, they will only receive one card.

The new HSA debit card is also PIN enabled. This means that you have the option of selecting "debit" and entering in a code. With the old card, you always had to select "credit" and sign for purchases. The PINs will be mailed several days after the cards)

### **Can account holders view debit card transaction history after the transition to Acclaris, Inc.?**

No. Any transactions that occurred prior to the move will only be available on Bank of America monthly account statements.

### **How does an account holder order a new card?**

Once the outage ends, the same options are available that are available today. Account holders can order cards on the member portal or they can also call customer service with the request. Note that during the outage, cards additional cards cannot be ordered.

## HSA Contributions

### **How will schedule contributions that fall within the outage be handled?**

Scheduled contributions during the outage will not be processed. Your employer will need to do a manual schedule before or after the outage for contributions to be made.

For employee contributions made through payroll, most employers will be initiating deposits after the outage is complete. In most cases, it takes four business days for funds to be received. Funds sent on Wednesday, November 16<sup>th</sup> will display in an account on Tuesday, November 15<sup>th</sup>. Please check with your employer regarding contribution timing.

## Using the HSA from Acclaris, Inc.

### **Is anything different with the Acclaris, Inc. account?**

Although Acclaris, Inc. has assumed all custodial duties, the way the HSA functions is similar to how it functions today.

### **Who will provide account statements?**

Following the transition, Acclaris, Inc. will produce monthly statements. Monthly statements from Bank of America will also be available after the transition via the member portal.

## Tax Statements

### **How many tax statements should the account holder expect for 2017?**

"Account holders involved in the transition will receive up to 4 tax statements for 2017; two distribution statements (a 1099-SA from Bank of America and another from Acclaris, Inc. in January), and two contribution statements (a 5498-SA from Bank of America and another from Acclaris, Inc. in May).

Note: Tax statements are not generated for periods where there was no relevant activity."

## Change in Custodian

### **Why is there a change in HSA custodian?**

Bank of America is discontinuing participation as a third party bank custodian for HSA's at the end of 2017, and we are moving all HSAs to Acclaris, Inc.

Acclaris, Inc., a Willis Towers Watson Company, has provided platform, web, and print services to us since Independence moved to the Bank of America HSA in 2013. In 2017, Acclaris, Inc. received regulatory approval to become a non-bank HSA custodian. A non-bank custodian is approved by the IRS to perform as HSA custodian by meeting fiduciary requirements and is regulated by the IRS, not by the FDIC. In conjunction with Acclaris, Inc. providing custodial services, PNC Bank, an FDIC insured bank, will act as the bank depository for HSA's.

### **Is account-holder consent required?**

No. Because this transition is a custodial reassignment, per the Bank of America custodial agreement it does not require account holder consent.

### **What fees are associated with this move to Acclaris, Inc.?**

Account holders will not be charged a transfer fee, and any ongoing fees—if applicable—remains the same.

### **Will existing beneficiaries carry over with the account reassignment?**

Yes. All current beneficiaries carry over. Account holders can verify beneficiaries after the transition on the member portal.

### **Can an account holder choose to stay with Bank of America or opt out of the move to Acclaris, Inc.?**

Bank of America is assigning custodial duties to Acclaris for all HSAs under Independence, and there is no option to remain with Bank of America. If an account holder wants to move the HSA to another custodian prior to the transition, the account holder can complete a trustee-to-trustee transfer out form or rollover form. Either form must be received by Monday October 9, 2017 in order to have the work completed before the reassignment. The standard \$25 account closure fee would apply.