

Employees are responsible for the management of their HSA.

Per the IRS, HSA accounts are owned by the employee, and are not employer sponsored. It is the employee's responsibility to manage their account, verify they have the correct coverage, and adjudicate claims in accordance with IRS rules. Participants are responsible for ensuring they do not over contribute to their account by making contributions outside of normal payroll deductions. If a participant contributes more than the allowed amount, they will have to return funds to the employer or themselves to avoid IRS penalties and fines.

Participants are not HSA eligible unless they are enrolled in an HSA qualified HDHP.

Participants are not allowed to contribute to an HSA unless they have qualifying HDHP coverage. Participants are not eligible to participate in the HSA if they are enrolled in any of the disqualifying coverages shown below:

- Receiving benefits under Medicare, Tricare, or VA care. Any coverage that provides first dollar coverage i.e. Full Medical FSA, HRA, Spouses health plan or FSA/HRA. Preventative care is not subject to this rule.

Participants need to provide physical addresses during open enrollment.

Participants who fail to provide a physical address on their HSA enrollment will not pass the background check required by the IRS. When this happens, the participant will receive an IDV failure notice from donotsend@notifications.askallegiance.com. Upon failure, they will have 60 days to provide the required documentation. If no response or documentation is provided, the account will be closed, and funds will be returned to the employer. The participant will **not be eligible to re-enroll until the 1st of the month** following the closure of the account, and the submission/approval of required documentation per the IRS. This will also limit their maximum allowed contribution limit for the tax year.

Participants should add beneficiary immediately upon first login.

Upon the participant's first login, they will be prompted to add a beneficiary, which should be done immediately. If no beneficiary is added, this could cause delay and extra operational work for the participant's family & employer to disburse HSA funds to the participant's beneficiaries or trust. This prompt will appear at every login until completed.

Participants should enroll in direct deposit and verify their email address upon first login.

Participants are strongly encouraged to sign up for direct deposit for faster and free disbursements from their HSA. Participants should verify and update their email address if they are using their work email. It is preferred they use their personal email address. Participants who provide work emails will lose access to communications and potentially access to their accounts if terminated by their employer. It is highly recommended they use their personal email to ensure no delay in their service.

Participant's Allegiance Debit Cards will not work at ATMs.

This is to protect consumers from utilizing their HSA funds for non-healthcare expenses. Participants should only use their debit card at medical merchants to pay for qualified expenses. Participants can distribute funds via direct deposit from their HSA to their personal bank account or by check at \$2.00 per check. This fee will be deducted from the participant's HSA account.

Debit Card is not active until terms and conditions are accepted.

Per IRS rules, a member's HSA debit card will not be activated until they log in and accept the terms and conditions provided by the IRS. Participants can login and accept their terms and conditions at www.AskAllegiance.com, or on the mobile app.

Participants can incur the below additional fees from their HSA account.

- **HSA Check Distribution fee \$2.00** – If the participant chooses to have a paper check for HSA reimbursement, \$2.00 will be deducted from the participant HSA. If they sign up for direct deposit this will not be charged.
- **Printed HSA Summary Fee \$2.00** – If the participant goes on-line and elects to receive paper statements and notifications, a \$2.00 fee will be debited from their account with each mailing. However, all printed materials are posted to the employee portal under the Message Center. Participants are emailed each time a statement or notification is posted if the account has a valid email address.
- **HSA Closure fee \$25.00** – Upon request to close and/or transfer HSA to another vendor, a closure fee of \$25.00 will be charged.
- **Termed Employee Monthly Administration Fee \$3.95** – After termination has been received from employer and processed, a monthly administration fee of \$3.95 will be debited from the participants account.

HSA tax documents are available on each participant's personal account in "Message Center".

In January, participants will receive an email notification when their HSA tax documents are ready to retrieve. Members must login to their account and retrieve these documents. Documents will not be sent directly to them. Tax documents for prior years not administered by Allegiance are not available. Participants with accounts prior to Allegiance will need to coordinate with previous custodian to obtain records for prior plan years.