

HSA Bank (New Account Administrator for 2019) Information and Frequently Asked Questions

Effective January 1, 2019, Purdue University has partnered with HSA Bank, a division of Webster Bank, N.A., (replacing PayFlex) to administer the various tax-deferred accounts:

- Health Savings Accounts (HSA)
- Healthcare Flexible Spending Accounts (FSA)
- Limited Purpose Flexible Spending Accounts (LPFSA)
- Dependent Care Flexible Spending Accounts (DCFSA)
- Wellness Health Reimbursement Accounts (HRA).

The following information explains how this change will be handled and what it means to you.

FSA (Healthcare, Limited Purpose, Dependent Care) and Wellness HRAs

Current 2018 accounts will finish out with PayFlex through the normal claim filing deadline of March 31, 2019. Accounts elected for 2019 will be set up with HSA Bank for January 1, 2019 and new debit cards will be sent out in late December. Dependent Care Flexible Spending Accounts will now also come with debit cards.

HSA

Any election to receive HSA contributions in 2019 will result in an account being opened at HSA Bank. You will receive a new debit card in late December. Both employee and employer contributions will begin with your first paycheck in January 2019.

As you enroll through Benefitfocus, if you elect to receive 2019 HSA contributions, you will be asked to give direction on handling any remaining funds in your active (PayFlex) HSA as of December 31, 2018. You have the choice of having the prior funds transferred directly from PayFlex to HSA Bank in early March 2019, or you can choose to leave the funds with PayFlex. The details of both decisions are outlined below.

This is a copy of the screen you will see in Benefitfocus, asking you to determine if you want your funds to be automatically transferred or left with PayFlex:

Health Savings Account (HSA)

TRANSFER OF HSA FUNDS FROM PAYFLEX TO HSA BANK

Additional information will be provided in the next few weeks outlining the specific details and timing for funds to be transferred to HSA Bank.

Please indicate below if you give your consent and approval for PayFlex to transfer your HSA funds to HSA Bank, the new plan administrator, during the month of March 2019.

Transfer my funds to HSA Bank. I give my consent and approval for PayFlex Systems USA, Inc. to transfer my HSA funds to HSA Bank, a division of Webster Bank, N.A., during the month of March 2019 and to close my account.

Do not transfer my funds to HSA Bank. I do not want my Health Savings Account balance to be transferred to HSA Bank and wish to maintain my account with PayFlex. I understand that any monthly account maintenance fees, transfer or account closure fees will be my responsibility after February 1, 2019.

Choose this option if you have no HSA account with PayFlex

Option 1: Transfer Funds to HSA Bank— Choose this option if you give consent and approval to have your funds transferred to HSA Bank and close out your PayFlex account (at no cost to you).

- PayFlex and HSA Bank will work together through an established process to transfer the funds of those who give consent. The details of that process can be found in the chart below.
- You will still be able to log in and access your account history in PayFlex.
- Any funds you've invested through PayFlex will be liquidated to your cash account by PayFlex prior to the transfer, or you can choose to move them yourself by Jan. 31, 2019.
- In December, watch for two separate mailings to your home for your new HSA account with HSA Bank. One will contain your welcome kit, letting you know what steps you need to take, and the other will contain your debit card and will be in a plain, white envelope.
- The last day you will be able to use your PayFlex card for your HSA funds is Jan. 31, 2019.
- There is a blackout period in which you will not be able to access the HSA funds in your PayFlex account. Please see the timeline below for more details.

Timeline for HSA Funds Transfer from PayFlex to HSA Bank

Start	Task Name
10/22/2018 - 11/5/2018	Employees will provide Purdue consent to move HSA funds from PayFlex to HSA Bank in March 2019 via Benefitfocus enrollment process.
12/19/18	Bi-weekly paid employees receive last HSA contribution into accounts at PayFlex.
12/28/18	Monthly paid employees receive last HSA contribution into accounts at PayFlex.
1/1/2019	HSA Bank will open new accounts for all employees electing HSA contributions for 2019.
Mid-to-late December	Welcome kits with instructions will be mailed to employee homes. Cards will be mailed in plain, white envelopes to employee homes.
1/16/19	Bi-weekly paid employees receive first HSA contribution into accounts at HSA Bank. Available for use at that time.
1/31/19	Monthly paid employees receive first HSA contribution into accounts at HSA Bank. Available for use at that time.
2/1/2019	Blackout Period Begins - Employees can no longer deposit or withdraw HSA funds from their PayFlex accounts. PayFlex begins transfer and account closure process. Investment funds at PayFlex liquidated to cash account.
3/1/2019	Funds are sent to HSA Bank from PayFlex
Early March 2019 (Date to be communicated later)	Blackout Period Ends – Employees have access to total HSA Funds via HSA Bank.

Option 2: Do Not Transfer Funds - Choose this option if you do not give consent and approval to have your funds transferred to HSA Bank:

- Your account with PayFlex will become an individual retail account, separate from Purdue University, and you will become responsible for a monthly maintenance fee (currently \$5) that will be taken from your account automatically.
- Going forward, you will be responsible for any other fees associated with the account, such as account closure or transfer fees.
- If you elect to make/receive HSA contributions in 2019, a new account will be opened for you at HSA Bank and all 2019 contributions will go into that account. This means you will have separate HSAs and separate debit cards to keep track of and will need to be careful not to use both accounts to reimburse the same expenses.
- In December, watch for two separate mailings for your new HSA with HSA Bank. One will contain your welcome kit, letting you know what steps you need to take, and the other will contain your debit card and will be in a plain, white envelope. You may order one additional debit card for a dependent at no extra cost.

Option 3: No PayFlex Account – Choose this option if you do not have an HSA with PayFlex or you have an HSA with PayFlex but are not currently receiving contributions to that account.

If you have funds in an HSA with PayFlex but are not currently receiving contributions from Purdue to the account, your account has already been converted to an individual retail account, and you will not be able to transfer your funds to HSA Bank through Purdue.

New Accounts at HSA Bank

In accordance with the USA Patriot Act, which requires banks to verify the identity of anyone opening a bank account, HSA Bank **may** need to reach out to you for additional identifying information as they are opening your new account. Your account will be opened in the meantime, but HSA Bank will have no choice but to close the account if you do not provide the requested information within 60 days from when it is requested.

Frequently Asked Questions

The Basics

1. Why did Purdue make this change?

Purdue regularly reviews the vendor partners we have to ensure the most cost-effective pricing and most effective services remain available for the benefit programs that are offered. In this case, it was determined that a change was warranted.

2. If I have an account with PayFlex and get an account set up with HSA Bank, what funds do I have access to beginning in January?

You will continue to have access to your PayFlex account and can continue to use your debit card through January 31, 2019. Once your HSA Bank account is set up and contributions begin to be deposited, you will have access to those funds and can use your HSA Bank debit card on an ongoing basis. Funds from 2019 contributions will be available with your first paycheck of 2019; funds transferred from PayFlex will not be available at HSA Bank until early March 2019.

3. How can I register with HSA Bank in order to access my account information online?

In December, you will receive a Welcome Kit from HSA Bank that will detail what you need to do, including how to register your account online. At that time, you will go to www.hsabank.com. Click "Login", then click "[Create your new username and password](#)" to begin the process.

4. Can I get more than one debit card for my spouse and/or dependent(s)?

Yes. You will receive one debit card for yourself automatically and you can also get a card for your dependent. More information will be available after open enrollment.

5. Does the transfer of my funds from PayFlex to HSA Bank count as a contribution?

No, the transferred amount does not count against your maximum IRS contribution limits for 2019.

6. Why does it take so long to transfer funds?

The transfer of funds follows a very specific process to ensure all financial regulations are followed and that funds are moved and posted correctly to the new accounts. Both PayFlex and HSA Bank have tasks that must be accomplished before funds can be made available.

Investments

7. Why do the funds I have invested at PayFlex have to be liquidated from the market to move them to HSA Bank?

Funds can only be transferred from a cash account, meaning funds that are invested must be divested to your cash account in order to move them to HSA Bank.

8. Does HSA Bank offer investment options?

Yes, there is an array of funds available through HSA Bank.

9. Is there a minimum amount I must have in my account with HSA Bank before I begin investing?

Yes, you must have a minimum balance of \$1,000 to begin investing.

Payroll Information

10. For Biweekly – My last HSA contribution will be 12/19/18. Does that mean I won't have my full 26 contributions to the account?

No, the 12/28/18 pay you will receive is actually an early pay for the January 2 payday, making it a 27th payday for 2018, so no contributions will be taken.

11. Will I still be able to get reimbursed for claims from 2018 with the funds that go into my HSA with HSA Bank?

Yes, you will still be able to use your HSA funds for claims prior to 2019. Funds can be used to pay for eligible expenses that were incurred as far as back as your HSA was first opened, so long as it remained active.