



## HSA Frequently Asked Questions (FAQ)

**1. Q: Why did BASIC request a custodian change?**

**A:** The current custodian is resigning. The new custodian offers an improved interest-rate earned on cash deposit and reduced shareholder service fees on investments.

**2. Q: Why would I want to agree to have my HSA transferred?**

**A:** Upon transferring, all your HSA funds will be in one location. You will also receive the following benefits under the new custodian:

- Simplified investment menu
- Enhanced engagement with an Investment Advisor who offers better monitoring of fund performance
- Improved interest rate earned on cash deposit
- Reduced shareholder service fees on investments

**3. Q: What is a custodian?**

**A:** A custodian is a financial institution that holds account holder funds or securities for safekeeping, similar to a bank.

**4. Q: What is a custodial agreement and disclosure statement? And where can I view the entire copy of the agreement and statement?**

**A:** The custodial agreement and disclosure statement contain the Terms and Conditions for opening an HSA. You can view your existing copy of the agreement by logging into your current BASIC HSA with BASIC.

**5. Q: What happens if I don't want to have my HSA transferred?**

**A:** If you do not wish to transfer your current HSA funds to the new custodian, you must transfer your account to another HSA custodian of your choosing. Please contact the new HSA custodian to obtain the necessary account opening and transfer paperwork.

To prevent the transfer to the new custodian, a completed *Transfer Form* must be received by BASIC no later than November 10, 2020. Send your completed Transfer Form to: BASIC (TPA), PO Box 6278, Monona WI 53716 -or- fax to 1-269-327-0716.

**6. Q: I do not agree to the transfer, where will my funds go?**

**A:** Your funds will be transferred to the new custodian unless you open a new HSA under a different custodian and then request your funds to be transferred to that new custodian. A transfer form must be received no later than 11/10/20.

**7. Q: How do I choose a different custodian/bank?**

**A:** The responsibility for selecting a new custodian/bank is yours.

**8. Q: How will my future contributions to my BASIC HSA via payroll deductions occur?**

**A:** The new HSA will be set up automatically for you with the new custodian and all future pretax payroll deductions (contributions) will be deposited into this new custodial account.

If you do not want your future pretax payroll deductions to go to the new custodian, you will need to stop future deductions with your employer and make **post tax** contributions to your new HSA custodian.

**9. Q: What does it mean ‘my funds will be transferred in cash?’**

**A:** Funds in your HSA Investment Account will be liquidated and moved to the Cash Account within your HSA. Your entire balance will then be transferred to your new HSA with the new custodian. Once funds are transferred to the new custodian, you will have an opportunity to select from a new investment lineup to reallocate your investment options.

**10. Q: What are the tax implications in 2019?**

**A:** As an HSA accountholder, you will receive one document per HSA that is opened. Each HSA custodian is required to provide Form 1099-SA showing distributions, mailed in January of the following tax year, and Form 5498-SA showing contributions, mailed no later than May of the following tax year.

*Note: Contributions to your HSA in a calendar year are restricted to the Federal limit regardless of the number of custodians.*

**11. Q: Is this communication being mailed to home addresses?**

**A:** We will be communicating according to your communication preferences. If you have an email address on record, it will be sent to that address. If no email address is on record, we will send a communication in the mail.

**12. Q: Does the submission date of 11/10 truly still apply to them at this time or will this affect them and their participants when they are upgraded?**

**A:** If they wish to transfer the funds out, we ask that they submit the form by 11/10.

**13. Q: What is the estimated date of my upgrade?**

**A:** There will be future communications going to the client and participant when upgrade nears. The “negative consent” communication that recently went out is a required notice that must be issued in advance of our upgrade.

**14. Q: Where can I find the Investment Lineup?**

**A:** The investment lineup can be found by visiting: <https://www.basiconline.com/wp-content/uploads/2020/08/CDA-Ops-6-HSA-Investment-List-04.01.2019.pdf>

**15. Q: What is the minimum balance in CDA HSA before participants can invest?**

**A:** \$2,000