



Fidelity HSA[®] Administrative Reference Guide



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HSA basics

What is a Health Savings Account (HSA)?

Health Savings Accounts (HSAs) are tax-advantaged accounts that let employees enrolled in an HSA-eligible health plan save and pay for qualified medical expenses¹ for themselves or eligible dependents. HSAs are designed to work with HSA-eligible health plans, also known as HDHPs (high-deductible health plans), to help meet rising health care costs.

Combined with an HSA-eligible health plan, an HSA can help offset the rising cost of health care in two ways – 1) by supplying a tax-efficient way for employees to pay for current qualified medical expenses and 2) by providing the opportunity to potentially grow their account on a tax-free basis² through investing their savings in a wide array of investment options.

Benefits of HSAs



HSA account holders own their individual accounts and decide how to use the money in it to pay for qualified medical expenses or save for future qualified medical expenses.



HSAs generally cover a broader range of qualified medical expenses than health care Flexible Spending Accounts (FSAs).



Unlike FSAs, which are typically “use it or lose it,” unused balances in HSAs carry over from year to year.



HSAs allow account holders to pay for current qualified medical expenses with pre-tax dollars. Account holders can also choose to save their contributions or invest the funds for future use and take advantage of tax-free growth.²



The HSA is an individual account that the account holder keeps—even if they change plans, retire, or change employers.

HSA basics

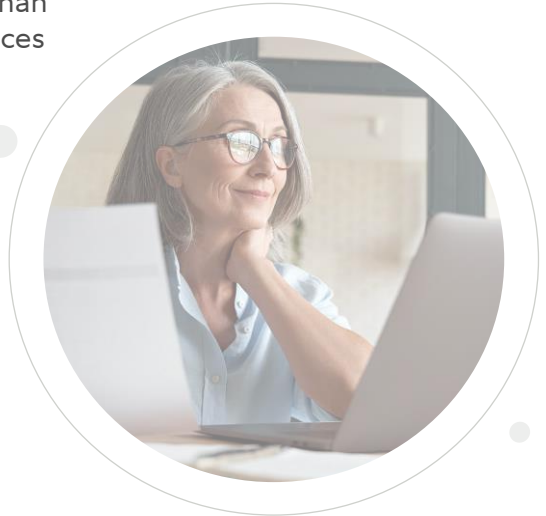
What is an HSA-eligible health plan?

An HSA-eligible health plan satisfies certain IRS requirements with respect to deductibles and out-of-pocket expenses. Employees generally pay more upfront for medical expenses before the plan begins to pay for covered services.

In return, they will generally pay less in premiums than with other medical plans, and preventive care services are fully covered.

The money an employee saves on premiums can be put into their HSA to help pay for qualified medical expenses not covered by the health plan.

Enrollment in an HSA-eligible health plan is one of the requirements to be eligible to establish an HSA.³



Annual contribution limits

Below are the limits issued by the IRS. The total contributions to an HSA cannot exceed these limits, inclusive of payroll and non-payroll contributions, if applicable.

Annual IRS HSA Contribution Limits

	2023	2024
Individual health plan	\$3,850	\$4,150
Family health plan	\$7,750	\$8,300
Age 55 or older ⁴	Additional \$1,000	Additional \$1,000

The Fidelity HSA[®]

Fidelity's long-standing history of helping employees save and invest is at the center of the Fidelity HSA[®] experience.

Fidelity offers the expertise to give employees peace of mind and provides resources to help them set aside money for health care costs now, and better prepare for those costs in retirement.



How it helps your employees

Simple and transparent pricing Zero account transaction fees⁵
Zero account fees to invest⁶
Zero minimums to invest⁷
Zero online commissions for US Stock, ETF, and option trades

Easy to use They can manage account information, track claims and medical expenses and get support in one easy place.

Triple tax advantaged They can make pre-tax contributions, non-taxable withdrawals for qualified medical expenses, and pay no tax on growth.²

It's their money Their unused HSA money rolls over year after year. They keep what is saved and earned, even with job changes.



How it helps you

Cost control Ease annual premium increases by pairing an HSA with an HSA-eligible health plan.

Easy administration Manage everything in one easy place, with robust reporting and insights to inform plan design and decisions.

Data protection Trust that your data is safe with International Organization for Standardization (ISO) certified security that demonstrates our controls comply with global best practices.⁸

Employee communications and resources

Overview

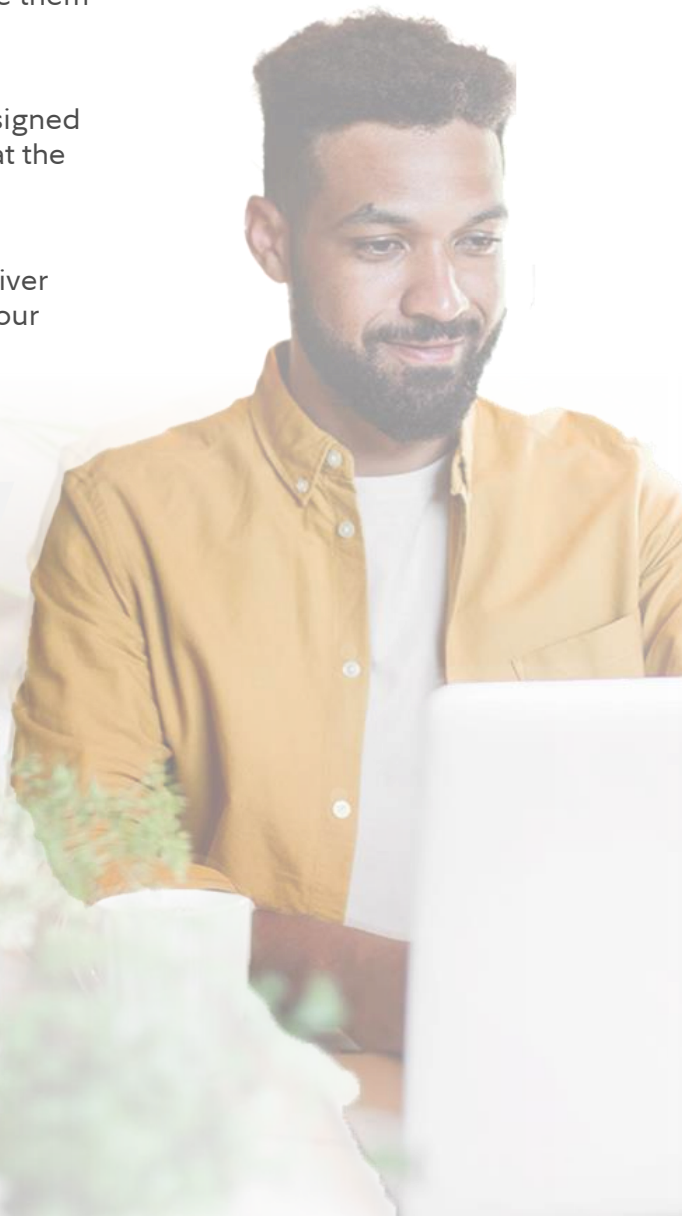
Fidelity provides a robust communication offering that can help educate employees about HSA-eligible health plans, HSAs, and how to use them to fit their near- and long-term savings needs.

Our offering is designed to support employees throughout their HSA journey and consists of:

- ✓ Employee engagement toolkits you can download and use internally with your employees to educate them about HSAs.
- ✓ Always-on responsive campaigns that are designed to deliver help and next steps to employees at the right times, based on their needs.
- ✓ Proactive campaigns that are designed to deliver targeted, timely messaging that benefits all your employees at the same time.



Visit the [Fidelity HSA® Employee Education and Engagement page](#) to learn more.⁹



Employee communications and resources

Employee support

Employee support is available via the web, mobile, and phone. The resources below are designed to help employees make confident decisions, simplify HSA management, and maximize their health care dollars for their unique needs.

Fidelity NetBenefits®

Fidelity's workplace benefits portal helps employees address broad financial needs all in one place. Employees can log in at [NetBenefits.com](https://netbenefits.com) using their existing usernames and passwords.

Fidelity Health® app

We built the Fidelity Health® app to help employees easily manage their health care expenses and benefit plans from their mobile devices.

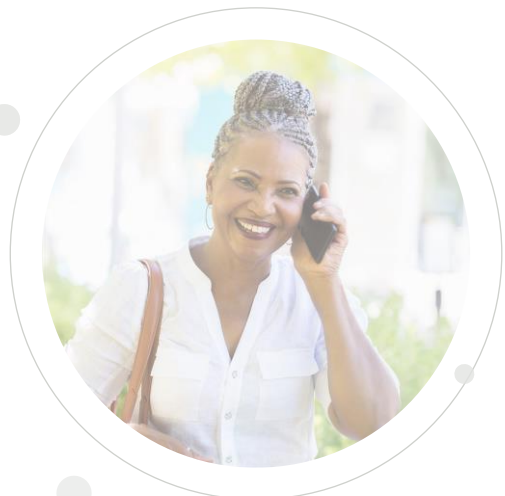
Fidelity HSA® account holders can use the Fidelity Health® app to manage health care expenses and navigate day-to-day health care needs.

The app is easily accessible with existing Fidelity NetBenefits® login information and is available for download in the App Store® and on Google Play™.

Fidelity HSA Customer Service Center

Our associates are available to answer HSA-related account questions.

Employees can call 800-544-3716 or their Fidelity Customer Service Center number and select the HSA prompt.



Using PSW[®] to manage your program

Fidelity Plan Sponsor Webstation[®] (PSW[®]) is an online portal that provides you with direct access to your HSA program information and a convenient and secure way to easily manage your HSA program and send your data files to Fidelity.

With PSW you can:

- ✓ View and change participant information
- ✓ Download reports
- ✓ Submit service requests
- ✓ Manage annual enrollment, and more



PSW technical support is also available at 800-735-2862. Contact your client service team to gain access, and then visit psw.fidelity.com to get started.



Using PSW[®] to manage your program

Here are a few recommended steps to begin using PSW to help administer your HSA program:

Visit the HSA Employer Resource Center on PSW

You'll find a host of HSA-related training videos and materials to support you here. A deep dive into ongoing HSA operations is covered, along with guidance on topics such as required employee data, processing payroll contributions, common reporting, and more.

 [Visit the resource center](#)

Watch the PSW HSA administration workshop

This brief video shows you how to access HSA program information in PSW and manage your program. Learn how to look up employment, enrollment, and contribution information; manage your notification preferences, data files, funding, and more.

 [View the workshop](#)

Learn how to submit service requests in PSW

To provide direction to Fidelity regarding your HSA program, you can submit a Service Request in PSW. Whenever possible, choose the service request type that matches your question or request. This results in faster response time due to correct routing and information gathered.

From the home page, select the Work with Fidelity tab. Select the Health Savings Account link under Open a New Service Request.

Visit the PSW Training & Support Center

You can find further information and guidance in the PSW Training & Support Center, which can be accessed by selecting the Training & Support link in the upper right-hand corner of the PSW navigation bar.

Client service communication policies and procedures



PSW[®] service requests

This is the preferred method for clients to provide direction to Fidelity.

Requests can be initiated by clients or Fidelity and help us provide an efficient client service experience.

You can work with Fidelity and open a new service request on PSW[®], or view all service requests to see active as well as resolved requests.

Benefits

- ✓ Easy, streamlined, and efficient
- ✓ Provides secure transactions
- ✓ Can be easily tracked and audited
- ✓ Date- and time-stamped
- ✓ Requires verification of an authorized requestor

Types of service requests

- ✓ Indicative data updates
- ✓ Enrollment record updates
- ✓ Contribution requests and reversals
- ✓ Provide direction to return funds that have reached expiration within the holding account or use them to offset contribution funding

Client service communication policies and procedures

PSW® Team Workspace

The Team Workspace provides a shared repository and is a common place for clients and their Fidelity Service Team to store and manage documentation.

Benefits	Examples of how to use
<ul style="list-style-type: none">✓ Shared access in a secure environment✓ Request can be easily tracked/audited✓ User authorization required	<ul style="list-style-type: none">✓ Administrative changes✓ Record retention of implementation or corporate actions✓ Materials related to client service projects

Email policy

Email is not considered a secure method for transacting business with Fidelity. Fidelity will not accept emails that contain confidential or proprietary information.

This policy ensures protection for our clients and their employees' personal information.

Fax policy

Faxing is not a preferred method of communication between clients and Fidelity. Facsimile copies of program-related information are accepted when received on client letterhead and approved by an authorized signatory.

Generally, Fidelity must receive original copies of letters.

Overview of key administrative processes



Our goal is to deliver administrative excellence and to maximize plan efficiency.

Below are important processes that help ensure that your Fidelity HSA program is being administered effectively and providing the best experience for your employees.



Frequency Plan administrator responsibilities

Per pay period

- Review the Account Status Feedback File prior to making the payroll deduction; contributions should not be deducted until the account is listed as Ready For Funding and the enrollment effective date has been met.
- Resolve file errors, including monetary and non-monetary, on PSW.
- Apply funding on PSW.
- Review reports on PSW regularly. For example, review the HSA IRS Approaching Limit Report to monitor contribution limits, and the Contribution Batch Detail Report to reconcile payroll files and funding.
- If you have the Holding Account as part of your HSA program, monitor the Returned Holding Amount Report on PSW and refund employees once the holding time frame expires.

As needed

- Ensure files, including indicative data, enrollment records, and contributions, are provided in a timely manner based upon your company's schedule.
- Notify Fidelity of any changes to the benefits staff supporting your HSA program that would result in PSW access needing to be removed.

Annually

- Update program information and provide enrollment records for the new program year.

Overview of key administrative processes

Frequency Plan administrator responsibilities

Year-end activities

Update program information

Fidelity gives clients the opportunity to provide us with updated information, such as annual enrollment dates, any changes to health plans offered, limits, contributions, etc. This updated information helps us offer your employees an informed and comprehensive Fidelity HSA® experience.

Send a full enrollment file for the new year for all employees

Each year, HSA clients must send us a file for the coming year to identify individuals who have enrolled in their HSA program. Fidelity does not assume someone who enrolled one year did for the next. We rely on the enrollment record to identify enrollment. The HSA enrollment record is also used to identify who pays the annual HSA fee.

The full enrollment file we request consists of:

1. The active enrollment record for anyone who enrolled in the HSA-eligible health plan for the new year and is therefore eligible to make HSA contributions.
2. The inactive enrollment record for anyone who is opting out of the HSA-eligible health plan for the new year and is therefore not eligible to make HSA contributions.

Also, make sure the Client Billing Indicator is correctly updated, as this determines whom Fidelity bills for HSA administration fees.

- ✓ If the employer is going to pay the HSA administration fee, the indicator should be set to "Y"
- ✓ If the employee is going to pay the HSA administration fee, the indicator should be set to "N"

Important notes regarding year-end planning activities

Under IRS regulations, contributions cannot be deposited in the HSA before the first day of the year. While you can upload the contribution file prior to January 1, the contributions cannot update to accounts until the first business day of the year, typically January 2.

On the last business day of the year, money held for fewer than 90 days in the Contribution Account will automatically move to the Holding Account. Program administrators need to review the Returned Amount Report after January 1 and direct Fidelity via a PSW service request to either wire back the money or use it to offset contribution batches. Please note that the Holding Account cannot accept prior year contributions—an employee's HSA needs to be open and ready for funding to receive prior-year contributions through the tax filing deadline.

HSA reporting in PSW®

Fidelity's HSA reporting capabilities help you efficiently manage your benefit plan.

Below is a summary of commonly used reports, which are available on demand in PSW unless otherwise noted. To access HSA reporting options in PSW, go to the Reporting tab and select Run Reports > Health Savings Accounts, and a list of reporting templates will appear.

Monitor enrollments and account status

Name of report	Availability	Description
Account Status Feedback Files	On demand	This report notifies employers when an HSA account is open and can accept funding or when the account can no longer accept funding. Provided on a variable basis.
Account Status Report	On demand	The Account Status Report includes one view for the account holder-level detail including: <ul style="list-style-type: none">• HSA program number• SSN• account status (approved, not approved, closed)• account date, including when it was approved or closed• account holder information
Full Population Report	On demand	The Full Population Report provides a graphical summary of account holders that have enrolled in an HSA program, broken down by active and inactive status. Additionally, the report shows the total number of accounts opened, broken down by accounts that are ready for funding and those not ready for funding. The report allows employers to filter and search on many different data elements as well.

HSA reporting in PSW®

Manage HSA contributions

Name of report	Availability	Description
Contribution Batch Detail Report	On demand	<p>The report provides a detailed summary of all contributions included in batched files. The report is available once the file is created. Any changes made to the initially submitted data will be available after the file has completed the prelim.</p> <p>To run the report, you must choose a Calendar Day range. All other filters—such as division, region, and transaction description—are optional.</p> <p>View contribution submission and update history.</p>
HSA IRS Approaching Limit Report	On demand	<p>This report allows you to track contribution limits. This report calculates how close to the IRS maximum contribution amount the employee is for the year.</p> <p>It also provides an employee detail report of the total amount contributed—including payroll and non-payroll contributions—to the HSA, broken out by contribution source attributed to the year selected.</p>
Contribution Election Feedback Report	On demand	<p>The report provides contribution election amounts elected by employees and specifies the date the election was sent.</p> <p>This report replicates what is provided on the Contribution Election feedback file.</p> <p>Note: The Contribution Election Feedback Report is specific to the Click-to-Update service, which is used when account holders make their contribution elections directly on NetBenefits®. This report applies only if your HSA operates using this service.</p>

HSA reporting in PSW®

Manage HSA contributions

Name of report	Availability	Description
Transaction History Report	On demand	<p>This report includes helpful chart- and table-level views of the contribution totals and their sources (such as employee pre-tax and employer contribution amounts).</p> <p>There are several filters available to further analyze the transaction history data.</p>
Year-to-date Contribution Report	On demand	<p>The Year-to-Date Contribution Report is similar to the Transaction History Report, but it provides the total contribution received via payroll by source for the selected HSA-eligible health plan year rather than by date range.</p> <p>This report includes the same helpful filters that are available in the Transaction History Report as well as an account holder-level detail view of the data if preferable to the graphical representations.</p>
HSA Operational Batch Report	On demand	<p>The report provides a detailed summary of all contributions included in batched files. The report is available once the batch is created.</p> <p>The overview includes:</p> <ul style="list-style-type: none">• HSA Batch Number, Batch Employee Count by HSA Program, and Update Amount. <p>Summary view includes:</p> <ul style="list-style-type: none">• SSN-level details of Transaction Date, Process Date, and Batch Transaction Description of added, changed, submitted, and posted. <p>Detailed transactions are not included in this report but are available through the Create a Report functionality.</p>

HSA reporting in PSW®

Holding account specific reporting*

Name of report	Availability	Description
Holding Account Report	On demand	This report provides expiration date time frames and balance amounts related to the holding account.
Holding Account by Source Report	On demand	Provides an employee-level report of transactions that include contributions either going in or out of the holding account (fund UHSA) and any corresponding contributions going in or out of brokerage (fund BHSA) on the same date for the date range selected.
Returned Holding Amount Report	On demand	<p>This report displays amounts returned to the employer from the holding account.</p> <p>Report includes employee level with source and trade date detail and summary reports.</p>

*Holding Account Reports are specific to the holding account service, which is used while employee accounts are awaiting to be opened and in good order status to accept contributions.

These reports apply only if your HSA operates using a holding account.

HSA reporting in PSW®

Quarterly and year-end reporting

Name of report	Availability	Description
Quarterly Utilization Report	Upon request	<p>This reporting tool is available on a quarterly basis via your managing director team.</p> <p>It provides an employer-level aggregate report of account utilization, including details on:</p> <ul style="list-style-type: none">• accounts opened by channel,• asset distribution by age and income,• account asset breakdown,• account contribution detail,• account distribution detail.
Year-end Report	Upon request	<p>This report is available annually upon employer request.</p> <p>It offers meaningful behavior-based reporting for employers, for whom we record keep their HSA program.</p> <p>Employers have found this report to be valuable in helping to understand how their employees use their HSAs compared to Fidelity book of business statistics.</p> <p>Insights can be leveraged to help inform future program design and communications planning for employees with an HSA and those considering the HSA.</p> <p>Data includes:</p> <ul style="list-style-type: none">• demographics of employees who are selecting the HSA program,• what types of contributions and distribution behaviors the employees with the HSAs exhibit,• and how the retirement plan savings behaviors are different among HSA-enrolled employees and non-HSA enrolled employees. <p>Employer input is requested to complete account holder data elements.</p>

Answers to FAQs



Employee FAQs

Account specific questions

Opening a Fidelity HSA Log in to Fidelity NetBenefits® at NetBenefits.com and select Open next to Health Savings Account.

NetBenefits® access Log in to Fidelity NetBenefits® at NetBenefits.com using your existing username and password.
If you do not have access, call 800-544-3716 or your plan's toll-free number, and a Fidelity representative can assist.

An employee wants to transfer a prior HSA balance into a current employer's HSA program Employees should be directed to call the HSA service center at 800-544-3716.
They can also find instructions for transferring balances on the Fidelity.com web site: <https://www.fidelity.com/go/hsa/transfer>

HSA debit card related questions Employees should be directed to call the 800 # on the back of the HSA Debit Card (888-377-0323). If they call Fidelity directly, representatives can transfer to the debit card provider.
The debit card provider would typically support the following types of inquiries and requests:

- General Debit Card Inquiries
- Lost, Stolen or Replacement Debit Card
- Unauthorized Use of Debit Card
- Debit Card Point of Service Inquiries
- Status of Debit Card Request
- Activate or Cancel Debit Card

Answers to FAQs



Employee FAQs

HSA related questions

For questions
about the Fidelity HSA

Refer employees to the [HSA Reference Guide](#).

For questions
about HSAs

Visit the IRS website at www.irs.gov and refer to Publications 502 and 969 for guidance.

Annual contribution
limits

IRS limits for HSAs take both payroll and non-payroll contributions into account, if applicable.

Vesting schedule for
employer contributions

As soon as any employer contributions are made into the individual's HSA account, they are the owned by the employee.

Employee customer service

Fidelity's HSA Customer
Service Center

800-544-3716

Employee Online and
App Experience

Employees can view their workplace HSA on NetBenefits.com in addition to the NetBenefits[®] and Fidelity Health[®] mobile apps.

Answers to FAQs



Employer FAQs

Informing Fidelity of updates to your HSA program

To provide direction to Fidelity regarding your HSA program, you can submit a Service Request via PSW[®].

From the home page, select the Work with Fidelity tab. Select the Health Savings Account link under Open a New Service Request.

For the quickest resolution, choose the Service Request type that matches your question or request.

Confirming employee enrollment in the HSA

Two actions are required by employees to enroll:

- They must be enrolled in an HSA-eligible health plan through their benefit provider, and they must also have successfully completed the Fidelity HSA account opening process.
- The individual employee must establish an account to provide the required Patriot Act details.

To open an account, the employee can log in to Fidelity NetBenefits[®], at NetBenefits.com and select "Open" next to Health Savings Account.

Employee account details

HSAs are individual accounts maintained under Fidelity's Personal Investing platform.

Fidelity cannot discuss the following topics due to privacy regulations as outlined in Gramm Leach Bliley Act:

- Distributions made or lack thereof
- Investments

Answers to FAQs



Employer FAQs

HSA account with "Not Ready For Funding" status

HSA accounts are considered owned by the individual account holders, and Fidelity cannot provide any information to the employer as to why an account is not ready for funding.

If you receive a message that a contribution cannot be processed to an HSA account, the employee will need to contact Fidelity directly to discuss.

Reversing an HSA account contribution

HSA reversal requests can be made on PSW[®] by submitting a service request.

You can find the process via PSW > Work With Fidelity > Open a New Service Request > General Service Request > HSA: Deposit Error Reversal.

5500 reporting requirements for HSAs

Since HSAs are not plans governed by ERISA, employers don't have to file Form 5500 for their HSA program.



¹Refers to qualified medical expenses as defined by the IRS.

²With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. Consult with a tax professional for more information on the state tax implications of HSAs.

³ For a full list of HSA eligibility requirements, refer to IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, which can be found online at <https://www.irs.gov/forms-pubs/about-publication-969>.

⁴If age 55 or older, not enrolled in Medicare, and otherwise an eligible individual.

⁵Account transaction fees refers to fees for account features such as account opening, funds transfer, debit cards, excess contributions, etc. and does not include recordkeeping fees, which may be charged to employers. Employers may choose to pass recordkeeping fees on to employees.

⁶Commissions and other expenses associated with transacting or holding specific investments (e.g., mutual funds) may apply. Refer to the fees and commission schedule for additional detail at www.fidelity.com/trading/commissions-margin-rates.

⁷There may be funds that require a minimum amount to invest, but Fidelity does not require a minimum to start investing.

⁸ International Organization of Standardization (ISO) 27001: 2013 Audit Summary Report 2014.

⁹ Plan Sponsor Webstation® (PSW®) access required.

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The information provided in this brochure is general in nature. It is not intended, nor should it be construed, as legal or tax advice. The information and examples provided throughout are not all-inclusive and may be subject to change. We encourage you to review information in IRS Publications 502 and 969 online at www.irs.gov, or you can call IRS Forms and Publications at 800-829-3676 to request a copy of each. Also, because the administration of an HSA is a taxpayer responsibility, account holders are responsible for the tax consequences of distributions from their HSA, and may want to consult a tax professional if they need specific tax advice .

Investing involves risk, including risk of loss

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