

HSA Data Files and Year End Activities



Overview

Employers need to provide Fidelity with specific data to enable the successful processing of payroll contributions in the new year. This includes updated indicative, enrollment, and contribution data files.

Below you'll learn how to provide this information to Fidelity to support the ongoing administration of your HSA program.



1. Indicative Data Files

Indicative data consists of basic employee data such as name, address, date of birth, etc.

Employer Responsibilities

Employers are responsible for sending the indicative data. This should be sent to Fidelity for newly HSA-eligible employees, as well as newly hired or rehired employees.

- ✓ Indicative data can be provided to the HSA via data duplication which copies indicative data from your 401(k) to your HSA.
- ✓ Keep in mind data duplication only works when a file is sent via Plan Sponsor WebStation[®] file upload or electronic data file feed. Manual entries in PSW are not included in the data duplication process. Data duplication is a one-way event; it will only occur from 401(k) to HSA – not the reverse.
- ✓ After the initial duplication occurs, the account holders must maintain address and email address separately for HSA since it is a personal account.



2. Enrollment Data Files

The enrollment record is Fidelity's indicator of eligibility to contribute to an HSA. An active enrollment record tells Fidelity the employee is enrolled in an HSA-eligible health plan, and therefore eligible to make HSA contributions; an inactive enrollment is the exact opposite.

The HSA enrollment record also contains the Client Billing Indicator, which determines who Fidelity bills for HSA administration fees. It is imperative to maintain this to help ensure its accuracy and to avoid billing issues.

Employer Responsibilities

Fidelity recommends employers send an enrollment record for every single employee for the new program year. At minimum, Fidelity needs an enrollment record for any account holder making or receiving contributions.

If an account holder has a current year enrollment record and will be making or receiving contributions in the new tax year, Fidelity will need an enrollment record for the new tax year in order to post contributions.

The full enrollment file we request consists of:

1. The active enrollment record for anyone who is enrolled in an 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 an 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"



Enrollment Data Files, continued

Employer Responsibilities

How to submit the Enrollment File

- Enrollment records can be sent via PSW[®] file upload or electronic file feed from third-party vendors – such as your Health and Welfare benefits administrator.
- If the records are being sent from a third-party vendor, it is critical to consult with the vendor to ensure the file logic is correct – especially for the Client Billing Indicator.
- Employers are responsible for correcting any file errors. Manual modifications can be made to the enrollment record once it is loaded to PSW.

Associated Reporting

The Full Population Report on PSW contains all enrollment record, account opening, and Client Billing Indicator details. This is an on-demand report and updates on an overnight cycle.

Timing Considerations

Once Fidelity receives an active enrollment record, employees will receive reminders from Fidelity to open their HSAs on NetBenefits[®]. Therefore, the earlier the enrollment record is sent, the more time employees have to open their accounts and avoid disruptions to payroll.





3. Contribution Data Files

The Contribution Data File tells Fidelity the amount and source of the contributions flowing into an employee's HSA.

Employer Responsibilities

As part of the contribution file, there is a field dedicated to the tax year. This field tells Fidelity what year to allocate the contribution to; and assists in reporting and tracking contribution limits.

- Contributions for the current tax year can be accepted up until the tax filing deadline of the year for the contribution is attributable. Unless there are changes, the tax deadline is typically April 15th.
- Fidelity can start funding contributions for the new tax year beginning on the first business day of the new year. It is essential to update the tax year to help ensure contributions are properly allocated.

How to submit the Contribution File

Like indicative and enrollment record files, contribution files can be received via PSW[®] file upload or electronic file feed from third-party vendors. Employers are responsible for correcting any files errors and applying funding.

Associated Reporting

The HSA IRS Approaching Limit Report can be utilized to confirm payroll and non-payroll contributions made. It also compares the year-to-date total to the IRS contribution limits. The report is updated after each contribution posting and should be reviewed throughout the year to safeguard the contribution limits are not exceeded.

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