

## H.S.A. Administration Instructions

**No Plan Document needed for Healthcare Savings Accounts (HSA's). Each HSA is owned by the individual account holder. An HSA plan does not require annual renewal.**

### A. Online Registration:

- To access group account information, the plan administrator must first register online for Employer Access to the Sterling HSA website. Steps to register:
- Go to [www.sterlinghsa.com](http://www.sterlinghsa.com)
- Select the Login button on the upper right hand side of the page (in the gray bar)
- Select the text link entitled "register for a new account"
- Select "Employer" next to the heading "Your relationship with Sterling"
- Enter Sterling Group ID number ( available on welcome letter, confirmation email, or by calling Sterling customer service at (800) 617-4729 )
- Enter ZIP code and create a username.
- Enter a valid email address and then re-enter that email address.
- Select a password reminder question and the answer to that question
- You will then receive an email from Sterling to the email address given above. Open the email from Sterling and click on the link back to the secure employer section of our website. You will be asked to create a password and you will now have access to all your group account information 24/7 online.

### B. Payroll/Taxes

- HSA contributions are Federal tax free in all states.
- State taxes may apply to HSA contributions and interest earned. Consult your tax advisor for additional information and inform your payroll department so that contributions can be set up in accordance with your state HSA tax rules.
- You must have a Section 125/POP/Cafeteria Plan in order to make HSA contributions pre-tax (Federal tax free only in AL, CA, NJ and WI)
- HSA contributions may be shown in Box 12 of employee W2's.
- HSA contributions should not be included in Box 1 of employee's W2 – Federal Income, but should show up in Box 16 if the employee resides in AL, CA, NJ and WI.

### **C. Making HSA Contributions Online:**

- Once registered, you will need to click on the “Update Bank Account Information” link (lower left)
- Input bank information for the account you wish to use to fund employee HSA accounts
- Next, click on the “List Bill” link to review your current list bill (lower left). If changes need to be made, click on the “edit list bill” link (upper right).
- Once your bank account information has been entered and your list bill is up to date, you then need to schedule when you would like the contribution to be made. To do this, click on the “Manage My Deposits” link (lower left) and schedule the date you would like to make your next HSA contribution.

### **D. Debit Cards**

- Sterling MasterCard debit cards are optional and not sent unless requested on the application form.
- Allow 2 -3 weeks from the time the application is entered into the Sterling HSA system for delivery of cards.
- Two Sterling HSA debit cards are issued per HSA in the account holder’s name. For a spouse to use a debit card in the account holder’s name the spouse must sign the back of his/her card (vs. account holder). A minimal service fee may apply for additional debit cards depending on your service plan
- To order additional debit cards simply complete the debit card request form available on the forms page of the Sterling HSA website at [www.sterlinghsa.com](http://www.sterlinghsa.com) and fax or mail it to the Sterling offices.
- Debit cards have an initial daily maximum of \$500. This limit can be raised by calling Sterling customer service at (800) 617-4729

### **E. New Hires and Terminations:**

- IRS Rules require that we receive an original “wet signature application” and funding before a new HSA account can be established. There are two ways to do this:
  - Mail in original application along with standard employer HSA contribution and list bill. Note we cannot accept faxed applications.
  - Mail in original application along with an initial deposit check. Note we cannot accept faxed applications.
- HSA Accounts are owned by each account holder, are fully vested when funds are deposited and portable. Please update your monthly List Bill to reflect any changes to your workforce.
- COBRA rules do not apply to Employer contributions to employee HSA's.
- See Appendix for sample termination letter.

**F. Reimbursement for qualified medical expenses:**

- Employees must submit a disbursement form (available on the forms page of [www.sterlinghsa.com](http://www.sterlinghsa.com)) along with receipt(s) and/or an Explanation of Benefits (EOB) from the medical carrier.
- Reimbursements can be made to the service provider or account holder. Account holders can also request that Sterling simply scan and file their receipt/EOB without reimbursement.

**G. Third Party Investments:**

- To transfer funds from a Sterling HSA account to another financial institution, account holders must download the following two forms from the forms page of [www.sterlinghsa.com](http://www.sterlinghsa.com) 1) Transfer of Assets Form 2) Sterling as an interested Third Party Form.
- Please consult with Sterling HSA on the process to set up self-directed investments.

**For all account service issues please call Sterling's toll free customer service line at (800)617-4729 from 8am - 6pm M-F PST or email at [customer.service@sterlinghsa.co](mailto:customer.service@sterlinghsa.co)**

## Appendix



### **Sterling HSA™**

February 2, 2008

Account Holder Name  
Address  
City, State, ZIP

**RE: HSA Account Number ICAXXXXXX**

Dear <<Account Holder First Name>>,

Sterling HSA has been notified that you will no longer meet HSA contribution eligibility requirements. This letter is to remind you any HSA funds accrued while employed with <<Company Name>> are yours and can still be used to pay for qualified medical, dental or vision expenses, COBRA premiums, Medicare premiums and long term care premiums.

Now is a great time to review your HSA account usage and decide if your current maintenance plan meets your needs. Sterling offers an “a la carte” Value Plan for \$2.50 per month or an “all inclusive” Standard Plan for \$8.75 per month. For additional maintenance plan details please visit us online at [www.sterlinghsa.com](http://www.sterlinghsa.com). You can change your monthly maintenance plan at no charge by calling us toll free at (800) 617-4729. All changes will be effective the first of the month following the change.

If you still meet the three HSA eligibility criteria listed below you may continue to contribute to your HSA:

- Enrolled in an HSA compatible health plan
- Not on Medicare (A, B or D)
- Not claimed as a tax dependent

Even if you no longer qualify to make HSA contributions you may still use your HSA funds tax free for qualified medical, dental or vision expenses, COBRA premiums, Medicare premiums and long term care premiums as defined by IRS Publication 502 Section 213 d. If you choose to withdraw your HSA funds for non qualified purposes you will be subject to a 10% penalty and will owe taxes on those funds (if contributions have been made pretax). Should you choose to close your Sterling HSA account a \$20 account closure fee will apply.

Thank you for being a valued Sterling HSA account holder. If we can assist you in any way please call us toll free at (800) 617-4729 8am-6pm (PST).

Regards,

Sterling HSA Customer Service