

HEALTH SAVINGS ACCOUNT EMPLOYER GROUP APPLICATION



WE MAKE
THE COMPLEX
SIMPLE

THE 4 RULES FOR SETTING UP A HSA:

1. You must enroll in a high deductible HSA compatible health plan
2. You cannot be enrolled in Medicare A, B, C or D
3. You must complete the individual enrollment form or enroll online
4. You cannot be claimed as a dependent on another person's tax return

HOW TO SET-UP A HSA:

Choose a fee schedule: Standard \$8.75 (all inclusive) or Value \$2.50 (a la carte)

1. Calculate the maximum contribution amount per IRS regulations.
2. Note: If your HSA compatible health plan starts on any date other than January 1st, you are required to stay on the HSA compatible health coverage for one full year. Otherwise a 10% penalty and taxes will apply to any over contribution should you end your HSA coverage prematurely.
3. If the employer is contributing or allowing employees to contribute pretax via payroll deduction...
 - a. Employer must complete employer application and list bill.
 - b. Employer specifies how much will be contributed to each employee's account (HSA and/or fees).
4. Each accountholder must then...
 - a. Complete individual application form by mail or enroll online.
 - b. Complete beneficiary designation form.
5. Note: Total contributions from employer and employee may not exceed the IRS annual limits.
6. Submit original completed forms with a check for the contribution amount and fees (minimum amount required to set up an account is \$100 + one time \$25 set-up + minimum required two months maintenance fees (2 x \$8.75=\$17.50 or 2 x \$2.50=\$5.00) to Sterling.
7. A "wet signature" is required on the enrollment forms (original required). Facsimile copies are not acceptable. Please enroll online at **www.sterlingadministration.com** or mail forms to:

Sterling
P.O. Box 71107
Oakland, CA 94612

8. HSAs are Federally tax free. State taxes may still apply. HSA contributions can be made pre-tax via payroll deduction if your employer offers a Section 125 Plan or deducted at the end of the year on an individual's 1040 tax return (above the line).