



My SmartCare: BCC's HSA Administration

A Health Savings Account (HSA) is a tax-advantaged medical savings account available to individuals enrolled in a Qualifying High Deductible Health Plan (QHDHP). Funds put into an HSA are not subject to federal income tax at the time of deposit. Employees enrolled in an HSA cannot be enrolled in a full FSA, only a Limited Purpose FSA.

EMPLOYER ADVANTAGES	EMPLOYEE ADVANTAGES
<ol style="list-style-type: none"> 1. Flexibility in controlling benefit costs 2. Employee retention & attraction 3. Tax savings on every dollar employees put into the plan 	<ol style="list-style-type: none"> 1. Tax savings (either pre-tax by the employer or with personal tax deduction) 2. Budgeting for current or future medical expenses 3. May use the funds as claims are incurred or save for future medical expenses 4. Tax-free interest or investment earnings

CONDITIONS

- The HSA is 'owned' by the employee
- The employee decides how much to contribute based on his/her out-of-pocket expenses
- Employer and employee contributions combined may not exceed the IRS maximum contribution
- Claim substantiation is maintained by the employee
- Eligible claims may be reimbursed at the point of purchase or at a later date as determined by the employee
- Employer contributions (if applicable) may be made in a lump sum at the beginning of the year or pro-rated throughout the year
- Funds are not available to employees until they are in the account
- Funds may be used for the employee, spouse, and dependent children only

CONTRIBUTIONS

Contributions to the HSA may be made by the employer and/or employee up to the IRS annual limits. The preferred tax treatment will only be recognized by the employee.

If an employee terminates employment, he/she maintains ownership of the HSA, including any interest earned. However, if an employee doesn't enroll in a QHDHP after leaving employment, he/she may continue to use HSA funds for eligible medical expenses, but can no longer contribute to it. An employee must enroll in another QHDHP to contribute to the HSA.

ALLOWABLE EXPENSES

HSAs cover an extensive list of eligible, reimbursable medical expenses as defined by the IRS. Qualified medical expenses are expenses for healthcare services for the participant or her/his spouse and dependents that are not paid by insurance. Medical or other insurance premiums are not qualified expenses.

Employees may budget for miscellaneous out-of-pocket medical expenses using their HSA account. Participants must retain receipts for anything purchased with HSA dollars in case they are audited by the IRS. If HSA funds are used for anything other than a qualifying expense, penalties will apply.

Funds may be used for previous years' expenses provided the HSA account was opened at the time the expense was incurred. There is no time limit on reimbursements. Account balances roll forward from year-to-year.

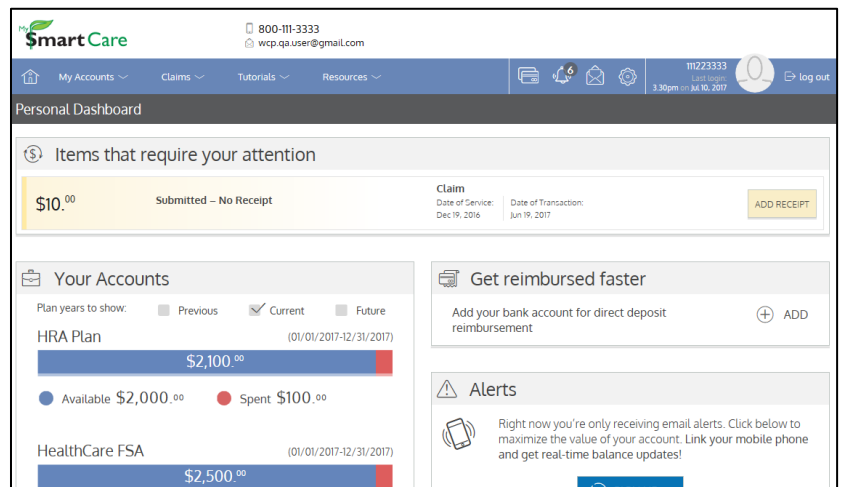
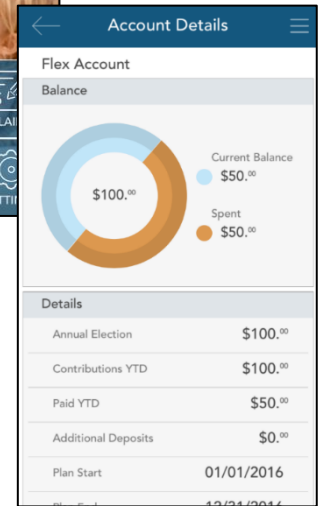




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THE EMPLOYEE HSA EXPERIENCE

- **No fee banking available with BCC's preferred banking vendors**
- **My SmartCare Online Portal & Mobile App**
 - View account and investment balances (current and historical)
 - View transaction history and statements
 - Recent news and benefit updates
 - Graphs and reports to monitor contribution limits
 - Account Statements
 - Same credentials used for portal and app
 - App is for Android or iOS devices
- **Communication & Assistance**
 - Push notifications via e-mail or text message
 - Calculators to assist in contribution decisions
 - Education resources, FAQs, forms, instruction library, etc.
- **Debit Card**
 - Automates the process of paying for eligible pre-tax account expenses
 - Cards can be used at eligible locations wherever MasterCard® is accepted
 - 30-day setup required
- **Toll-free (800) hotline for participants**
- **Employee Access to HSA Funds:**
 - Debit Cards (point-of-sale purchases, ATM withdrawals)
 - Online Transfers (members can reimburse themselves for out-of-pocket expenses by making an online transfer from their HSA to their personal checking account.)
 - Checks (can be ordered by participant)
 - Withdrawal Forms (ideal for large medical expenses or for a member to reimburse themselves for medical expenses paid out-of-pocket)
- **Manage Investments (if using a BCC preferred banking vendor)**
 - After \$1,000 balance threshold, participant can self-enroll in investment account using mobile app or web portal
 - Transfer feature to move funds between investment and transactional component of HSA
 - Investment specifics listed in Preferred Banking Vendor comparison





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HSA BENEFITS DEBIT CARD FEATURES

The employee's Benefits Card works a like a credit card (when using one of BCC's preferred banking vendors), except it has a stored value instead of a credit limit. The stored value is the employee's available balance under the employee's HSA. There are no transaction fees and optional pin numbers are available for additional security.

Employees simply swipe the card at the provider location and choose the "credit/credit card" option. Funds are instantly withdrawn from the HSA and paid to the provider. There are no claims and no waiting for reimbursement. Employees should save their receipts to ensure compliance with IRS guidelines; the IRS may request receipts in an audit.

The card is merchant coded, not merchandise coded. Every merchant who accepts credit cards is assigned one of roughly 1,000 merchant codes. The codes are listed according to industry (e.g., restaurant, pharmacy, dental office) only valid merchant codes are "open" to the card, which means if someone tries to use the card at a restaurant or gas station, it would be declined. It will also decline payment for non-covered expenses.

BCC's technology allows one single benefit card to be used for all reimbursement plans administered by BCC if using a BCC preferred banking vendor for HSA. The card is "stacked" according to the plan design. Appropriate merchant codes are attached to the card. We handle enrollments and terminations. Because we communicate HSA information directly to the bank, we control how the cards are used and generated.



THE EMPLOYER HSA EXPERIENCE

- **Plan Documents, SPDs**
- **Optional 5500 Reporting Data** (upon request only)
- **Annual Enrollment Support**
 - *Enrollment Forms*
 - *Coordinate with your communications department to provide Plan specific communications*
- **My SmartCare Online Portal**
 - *Research employee accounts, View Elections, Check Balances, Review Transaction History, Track Employee Notifications*
- **Resources**
 - *Training, Webinars, Forms, FAQs*
- **Reporting** – Your SmartCare portal generates a number of standard reports that are delivered via e-mail with additional reports that can be created 24/7 specific to your needs. Data pulled into on-demand reporting can be current or historical. Reports are available for review instantly or can be downloaded into a spreadsheet format.
 - *Employee Deposit Log – shows all deposit activity to participant benefit accounts*
 - *HSA Account Details Report – shows details of each HSA account*
 - *HSA Funded Contributions Report – listing of payroll funded contributions within a specified date range*
 - *HSA Payroll Reconciliation Report – listing of HSA credits processed through payroll*
 - *HSA Termination Report – listing of HSA terminations either at the employee demographic level or the HSA account level*
 - *HSA Transaction Report – list of transactions and statues specific to HSA transactions for HSA accounts*
 - *Additional "on-demand" reporting available through the portal*



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BCC'S PREFERRED HSA BANKING VENDORS

The following industry-leading HSA custodians are offered in conjunction with the BCC's My SmartCare product suite, allowing you to offer health savings accounts (HSAs) as an integrated component of your consumer directed healthcare solution portfolio.

A single integration with BCC allows you to seamlessly manage all benefit accounts because we have already done the "heavy lifting" to interface with each custodian for enrollment, maintenance and ongoing transaction activity. This translates into significant efficiency gains for your organization as administrative functions such as stacking/ordering of accounts, funding and maintenance, balance reconciliation, invoicing, employer servicing, and card administration are all handled in the same way, through the same interface, for all account types.

AVIDIA BANK HIGHLIGHTS

Avidia Bank is an FDIC insured, full-service financial institution, with a focus on Healthcare Solutions for its clients and partners. We provide easy-to-implement private label banking as well as affinity programs, employing a partnership approach to create HSA solutions with clients' needs in mind, not shareholders. Avidia Bank is committed to its independent course in an industry increasingly dominated by large, impersonal organizations. Our size, combined with our top-notch strategic partners, allows for a scalable solution without charging an administration fee. We offer customizable, client-focused training and education to help your business succeed. In addition to our leading technology vendors, \$1 billion in assets, 140 years' experience and customers in all 50 states, we offer personalized attention unmatched by anyone in the industry.

LIBERTY HEALTH BANK HIGHLIGHTS

At Liberty Health Bank we have a passion for Health Savings Accounts. We are focused on assisting our partners help their clients and accountholders achieve Wealth+Health. Our parent company, Liberty Savings Bank FSB, is a 127 year old, family-owned, FDIC Insured bank with an extensive history of serving clients nationwide through strategic partnerships. Although we may not be the biggest, our goal is to be the best partner in the world for Third Party Administrators and Plan Carriers using the Alegeus technology platform.

We believe that people do business with people; therefore, we have a dedicated support team with significant experience. In addition, Liberty Health Bank has a unique HSA product offering that provides additional benefits to accountholders, opportunities for market differentiation and increased income to our partners.

UMB HEALTHCARE SERVICES HIGHLIGHTS

UMB Healthcare Services, a division of UMB Financial Corporation, is a leading provider of health savings accounts and healthcare spending account cards with more than \$1 billion in HSA assets. For the sixth straight year, UMB was ranked as one of America's Best Banks by Forbes and SNL Financial. For over a 100 years, UMB has made a commitment to principled and sound practices, we simply do not chase short-term earnings or growth at the expense of our future. As a national leader in HSA Custodial Services, we offer fully integrated, fully customizable packages, as well as turn-key options. Our nationwide network of sales representatives work closely with our partners to meet your unique needs, creating entirely customized options to keep you on the leading edge of your industry.





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PREFERRED HSA BANKING VENDOR COMPARISON

The chart below provides a comparison of the capabilities of each partner. BCC will be happy to facilitate a meeting with any partner to ensure all of your needs are met and all of your questions are answered.

- For each partner, the following integrated services are available unless noted otherwise:
 - Enroll participants online, batch file or through the My SmartCare Administration user interface into a partner HSA. BCC on-boards accounts with the HSA partner and stores the HSA Account Number
 - Issue multi-purse benefit debit card with your brand with access to HSAs, FSAs, HRAs, etc., all on one card
 - My SmartCare Portal services:
 - Client branded My SmartCare Portal with access to partner HSA balances and transactions, all integrated with all other CDH accounts
 - HSA Educational videos, calculators, frequently asked questions and forms available through My SmartCare Portal
- Web Services to pull real-time data to present on your web site, such as balances and transactions

SERVICE TYPE	SERVICE	AVIDIA	LIBERTY HEALTH	UMB
CONTRACT	Contract with bank required	No	No	No
KEY ACCOUNT FEATURES	Interest bearing HSA cash account	Yes	Yes	Yes
	Integrated investments	Yes	Yes	Yes
	Full access to account through client branded My SmartCare portal/mobile	Yes	Yes	Yes
CUSTOMER SERVICE	Tier 1 support from BCC	Yes	Yes	Yes
	My SmartCare portal/mobile password resets managed by BCC	Yes	Yes	Yes
BANK FEES (ASSESSED BY HSA CUSTODIAN)	Implementation Fee	\$0.00	\$0.00	\$0.00
	Initial account set-up fee	\$0.00	\$0.00	\$0.00
	Monthly account fee	\$0.00	\$0.00	\$0.00
	Waived monthly account fee rules	N/A	N/A	N/A
CONTRIBUTIONS	Participant online contributions	Yes	Yes	Yes
	My SmartCare Administration contribution manager used to fund HSAs	Yes	Yes	Yes
	Direct ACH contributions into HSA	Yes	Yes	Yes
DISTRIBUTIONS	Purse on client branded benefits debit card	Yes	Yes	Yes
	Check books	\$20 (book of 25)	No	No
	Online bill pay (pay anyone service)	Yes – No Charge	Yes – No Charge	Yes – No Charge
INVESTMENTS	Investment accounts	Yes – self-directed mutual funds	Yes – self-directed mutual funds	Yes – self-directed mutual funds
	Online functionality to add investment account	Yes	Yes	Yes
	Minimum balance for investment account	\$1,000	\$1,000	\$1,000
	Single sign on to investments or separate login required	SSO from My SmartCare	SSO from My SmartCare	SSO from My SmartCare
	Participant initiated fund transfers to investment account	Yes	Yes	Yes
	Fee per active investment account (assessed by investment firm)	\$2.50 (waived if cash balance > \$3,000)	\$2.50	\$2.50
	Custom mutual fund list available	Yes – Fees Apply	Yes – Fees Apply	Yes – Fees Apply
	Online prospectuses	Yes	Yes	Yes
STATEMENTS & REPORTING	Asset allocation models for future contributions	Yes	Yes	Yes
	Monthly online statements	Yes – No Charge	Yes – No Charge	Yes – No Charge
	Monthly paper statements	Yes – Fees Apply	Yes – Fees Apply	Yes – Fees Apply
	IRS reporting (5498-SA – 1099-SA)	Online & Mailed	Online & Mailed	Online & Mailed

