



HSA Transfer Process

Best Practices and Tips

What you need to know about an HSA Transfer from one custodian to another:

- Since HSAs are individually-owned by the participants (not the employer), most custodians will require authorization from each participant to move the HSA from one custodian to another.
- There is no set process or time requirements that the former custodian must follow to process the transfer. From receipt of the transfer request, it may take anywhere between three weeks and three months for funds to transfer.

For individual or small employer transfers (less than 50 participants):

1. **Enroll in the HSA through Benefit Resource.** Ensure all HSAs are opened through Benefit Resource. This allows all new deposits to be posted directly to the account with the start of the plan year.
2. **Have participants complete the HSA Trustee Transfer Form.**

A pre-populated *HSA Trustee Transfer Form* can be accessed through an individual's account accessed through BRIWEB. Alternatively, a blank form is included in this packet for your convenience.

Completed *HSA Trustee Transfer Forms* can be submitted directly to the former custodian.
3. **Former custodian processes the transfers.** The former custodian will process the transfers. The custodian will typically freeze the account and have a hold period to ensure all funds settle before the transfer occurs. The time this takes varies dramatically based on the former custodian. If investments are being utilized, funds are typically sold prior to the transfer.
4. **Piermont Bank receives the funds** and deposits them to accounts within 3 days of receipt.

For mid-to-large employer transfers (50 participants or greater where a paper form is required):

1. **Enroll in the HSA through Benefit Resource.** Ensure all HSAs are opened through Benefit Resource. This allows all new deposits to be posted directly to the account with the start of the plan year.
2. **Provide Benefit Resource with a contact at the former custodian.** For group transfers, we can work with the former custodian to ensure receipt of the transfer requests and coordinate the timing of the transfer.
3. **Have participants complete the HSA Trustee Transfer Form.**
 - a. A pre-populated *HSA Trustee Transfer Form* can be accessed through an individual's account accessed through BRIWEB. Alternatively, a blank form is included in this packet for your convenience.
 - b. Completed HSA Trustee Transfer Forms should be collected by the employer and submitted in bulk to Benefit Resource.
4. **Transfers are logged.** Upon receipt of the transfer forms, the transfer forms will be logged and sent to the former custodian, along with a bulk transfer file.
5. **Former custodian processes the transfers.** The former custodian will process the transfers. The custodian will typically freeze the account and have a hold period to ensure all funds settle before the transfer occurs. The time this takes varies dramatically based on the former custodian. If investments are being utilized, funds are typically sold prior to the transfer.



HSA Transfer Process

Best Practices and Tips

The former custodian sends:

- (A) The bulk transfer file with the account balance for each transferring account
- (B) A wire transfer or ACH for the full transferring amount

6. **Piermont Bank receives the file and funds** and deposits them to accounts within 1-2 day(s) of receipt.

For large employer transfers (500 participants or greater where an electronic authorization process is approved):

1. **Enroll in the HSA through Benefit Resource.** Ensure all HSAs are opened through Benefit Resource. This allows all new deposits to be posted directly to the account with the start of the plan year.
2. **Provide Benefit Resource with a contact at the former custodian.** BRI will request approval to use an electronic authorization process. Former custodian may provide conditions and required language which must be included in the electronic form
3. **Benefit Resource configures the electronic authorization form.**
4. **Participants are asked to complete the electronic HSA Trustee Transfer Authorization.** In order to reach the maximum number of employees, we recommend a joint communication approach with multiple reminder communications from both the employer and Benefit Resource.
5. **Benefit Resource prepares the bulk transfer file (per required specifications of the former custodian).** Upon receipt of the electronic authorizations, a bulk transfer file is created and sent to the former custodian.
6. **Former custodian processes the transfers.** The former custodian will process the transfers. The custodian will typically freeze the account and have a hold period to ensure all funds settle before the transfer occurs. The time this takes varies dramatically based on the former custodian. If investments are being utilized, funds are typically sold prior to the transfer.

The former custodian sends:

- (A) The bulk transfer file with the account balance for each transferring account
- (B) A wire transfer or ACH for the full transferring amount

7. **Piermont Bank receives the file and funds** and deposits them to accounts within 1-2 day(s) of receipt.

HSA Trustee Transfer Form

Purpose	This form is used to do a trustee-to-trustee transfer from an existing HSA to your new HSA.																														
Instructions	<ol style="list-style-type: none">1. Complete and sign this form.2. Submit the original form <u>to your existing HSA provider</u> and keep a copy for yourself.																														
SECTION 1 Account Holder	<table border="0"><tr><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>First Name</td><td>Middle Initial</td><td>Last Name</td></tr><tr><td colspan="3">_____</td></tr><tr><td colspan="3">Street Address</td></tr><tr><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>City</td><td>State</td><td>Zip Code</td></tr><tr><td>_____</td><td colspan="2">_____</td></tr><tr><td>Primary Phone</td><td colspan="2">Email Address</td></tr><tr><td>_____</td><td colspan="2">_____</td></tr><tr><td>Existing HSA Provider</td><td colspan="2">Existing HSA Account Number <u>NOT</u> Debit Card Number</td></tr></table>	_____	_____	_____	First Name	Middle Initial	Last Name	_____			Street Address			_____	_____	_____	City	State	Zip Code	_____	_____		Primary Phone	Email Address		_____	_____		Existing HSA Provider	Existing HSA Account Number <u>NOT</u> Debit Card Number	
_____	_____	_____																													
First Name	Middle Initial	Last Name																													

Street Address																															
_____	_____	_____																													
City	State	Zip Code																													
_____	_____																														
Primary Phone	Email Address																														
_____	_____																														
Existing HSA Provider	Existing HSA Account Number <u>NOT</u> Debit Card Number																														
SECTION 2 Instructions for Financial Institution	<p>_____</p> <p>Transfer To: New HSA Account Number</p> <p>Transfer 100% of my account balance and close my account. Transfer only \$ _____ and DO NOT close my account.</p> <p>Mail this form w. check payable to Piermont Bank f/b/o [Account Owner Name]. Trustee Operations 25 Air Park Drive, Suite 100 London, KY 40744</p>																														
SECTION 3 Agreement	<p>I have read and understand the trustee-to-trustee transfer rules and conditions and I have met the requirements for making a transfer. Due to the important tax consequences of transferring funds into an HSA, I have hereby been advised to speak with a tax professional. All information provided by me is true and correct and may be relied on by the administrator. I assume full responsibility for this funds transfer transaction and will not hold the administrator liable for any adverse consequences that may result. I hereby irrevocably designate this contribution as a trustee-to-trustee transfer contribution.</p> <table border="0"><tr><td>_____</td><td>_____</td></tr><tr><td>Account Holder Signature</td><td>Date (mm/dd/yyyy)</td></tr></table>	_____	_____	Account Holder Signature	Date (mm/dd/yyyy)																										
_____	_____																														
Account Holder Signature	Date (mm/dd/yyyy)																														

General Guidelines

There are two ways to move funds from an existing HSA or Medical Savings Account into a new HSA:

1. Rollover

A rollover is a cash distribution and redeposit with another custodian bank within 60 days. Either the account holder receives the funds and redeposits in a new account or writes a check on an old account to a new custodian. The account holder is limited to using this approach once every 12 months.

2. Trustee-to-Trustee Transfer

In a trustee-to-trustee transfer the current custodian moves funds to the new custodian directly. There is no limit under the tax laws on the number of times this can occur.

Comparison of rollover and trustee-to-trustee transfer into a Health Savings Account:

	Rollover	Trustee-to-Trustee
Frequency	One rollover per 12 month time period, per HSA. Must be redeposited to your new HSA within 60 days after the day the distribution is made. If you fail to redeposit within this 60-day period, your distribution will be taxable to you and subject to additional penalty taxes (unless an exception applies).	Unlimited
Tax Reporting	We are required to report the contribution on a Form 5498-SA.	None required
Fees	We do not charge any fees with a rollover of funds into the HSA. Other custodians may charge fees associated with account closure and/or funds rollover.	We do not charge any fees with a trustee-to-trustee transfer of funds into the HSA. Other custodians may charge fees associated with account closure and/or a trustee-to-trustee transfer.

Note: We do not provide tax or legal advice. This summary is provided solely for general information purposes, and is not to be construed as tax or legal advice. Please consult with your own attorney or tax advisor to understand the tax and legal consequences of your HSA and your particular situation.