

Health Savings Account - Transfer of Assets Recommendations

There are three different Transfer of Assets methods that can be used to move assets from one bank custodian to another. Below is an overview of each method and the recommend

Bulk Electronic Transfer

Description: Members elect to transfer the assets of their prior bank custodian to UMB electronically through an online enrollment or election process.

Considerations: For this method to be used, the prior bank custodian must agree to take an electronic consent file for members request to transfer assets. It also requires additional configuration on the Benefitsolver system to accommodate the terms and conditions. If there are more than one prior bank custodian, can require additional coordination in order to ensure the members consent to the right terms and conditions.

Target Number Open HSA Accounts: 100 or more

Timing: 2 – 4 weeks

Advantages: Allows for greater oversight and control of the transfer process and for a smoother transition for members.

Disadvantages: If members do not participate in the online enrollment/election process during the designated window, they must initiate their transfer of assets individually as it would not be included in the bulk electronic transfer.

Bulk Individual Transfer

Description: Individual transfer of asset forms are collected and during a specific window and submitted in bulk to prior bank custodian to process.

Considerations: For this method to work, the prior bank custodian must agree to process forms in bulk. Need to confirm if they will issue assets as individual checks or as a combined ACH with an electronic file of who is included and assets to deposit.

Target Number of Open HSA Accounts: 50 - 100

Timing: 4 – 6 weeks

Advantages: Still allows for general control/oversight of the transfer of assets with moderate coordination effort.

Disadvantages: Requires client to collect/store forms during the period of collection. Depending on how the bank custodian processes transfer requests or agrees to transfer the assets, timing can extend beyond the 4 – 6 weeks.

Individual Transfer

Description: Members complete and submit the transfer of assets form independently and at any time.

Considerations:

Target Number of Open HSA Accounts: Less than 100

Timing: 4 – 6 weeks

Advantages: Allows members to choose when to transfer their assets and does not require client involvement.

Disadvantages: Does not allow the client or new administrator to have oversight into the timing of transfers (received/processed) and can be more disruptive to members.

Other Considerations

1. Who will pay the transfer of assets fee?
2. Will there be a minimum balance to transfer?
3. When will the transfer occur? (recommended after the first of the new plan year to ensure members have funds available to spend as of the new plan year)