



WELCOME TO THE AETNA HEALTHFUND® HEALTH SAVINGS ACCOUNT (HSA)

Welcome to the Aetna HealthFund® Health Savings Account (HSA). We know how important your employees are to you, and we want to work with you to ensure a smooth implementation process, setting a strong foundation for ongoing support and account maintenance.

Your privacy is important

HealthEquity, a personal health care financial services company that specializes in HSAs, is the administrator of your Aetna HealthFund HSA. Together, Aetna and HealthEquity are pleased to offer the latest technology to protect your personal, financial and medical information and keep it secure

This HSA administrative guide will take you through the implementation process, explain the roles and responsibilities of HSA participation and serve as an ongoing reference.

Customer Service

- Member Services – 1-866-382-3512
 - Member Services hours of operation – 24 hours a day, 7 days a week
- Broker Services - 1-800-819-5852
- Employer Services – 1-866-382-3510
 - Broker/Employer hours of operation – Monday – Friday, 7am – 6pm MST.

The Sale

- Case is sold – medical plan paperwork is mailed/e-mailed to regional underwriting office
- Underwriting logs case into Sold Case Log (Rabbit)
 - Important note: The employer name in the Sold Case Log and Master Application must be identical.
- Follow normal underwriting workflow from here.
- Sold Case Log as well as the HEQ will be reviewed on a quarterly basis for accuracy and to view for terminated cases.
- Once a case terminates, we will move the case to the HEQ Unaffiliated Group - \$3.95 per member per month administration fee is accessed.

Employer Setup Process

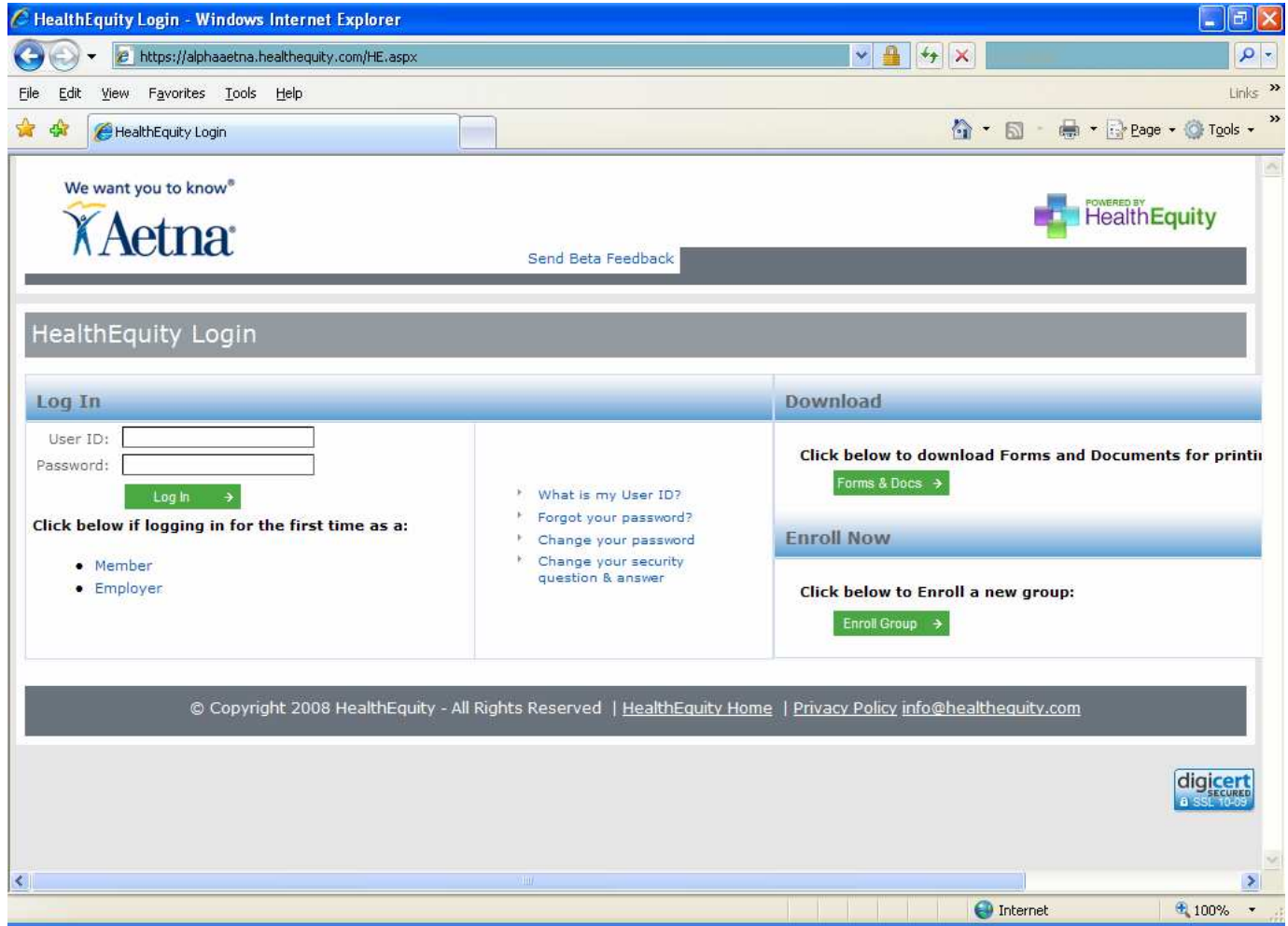
Please note – Employers must set themselves up at the Employer level prior to enrolling employees in the HSA. On the below screen, you would click “Enroll Group”.

Aetna is the brand name for products and services provided by one or more of the Aetna group of subsidiary companies. The Aetna companies that offer, underwrite or administer benefit coverage include: Aetna Health Inc., Aetna Health Insurance Company of New York, Aetna Health Insurance Company, and/or Aetna Life Insurance Company (Aetna).

Broker/Employer Setup Process (on line instructions)

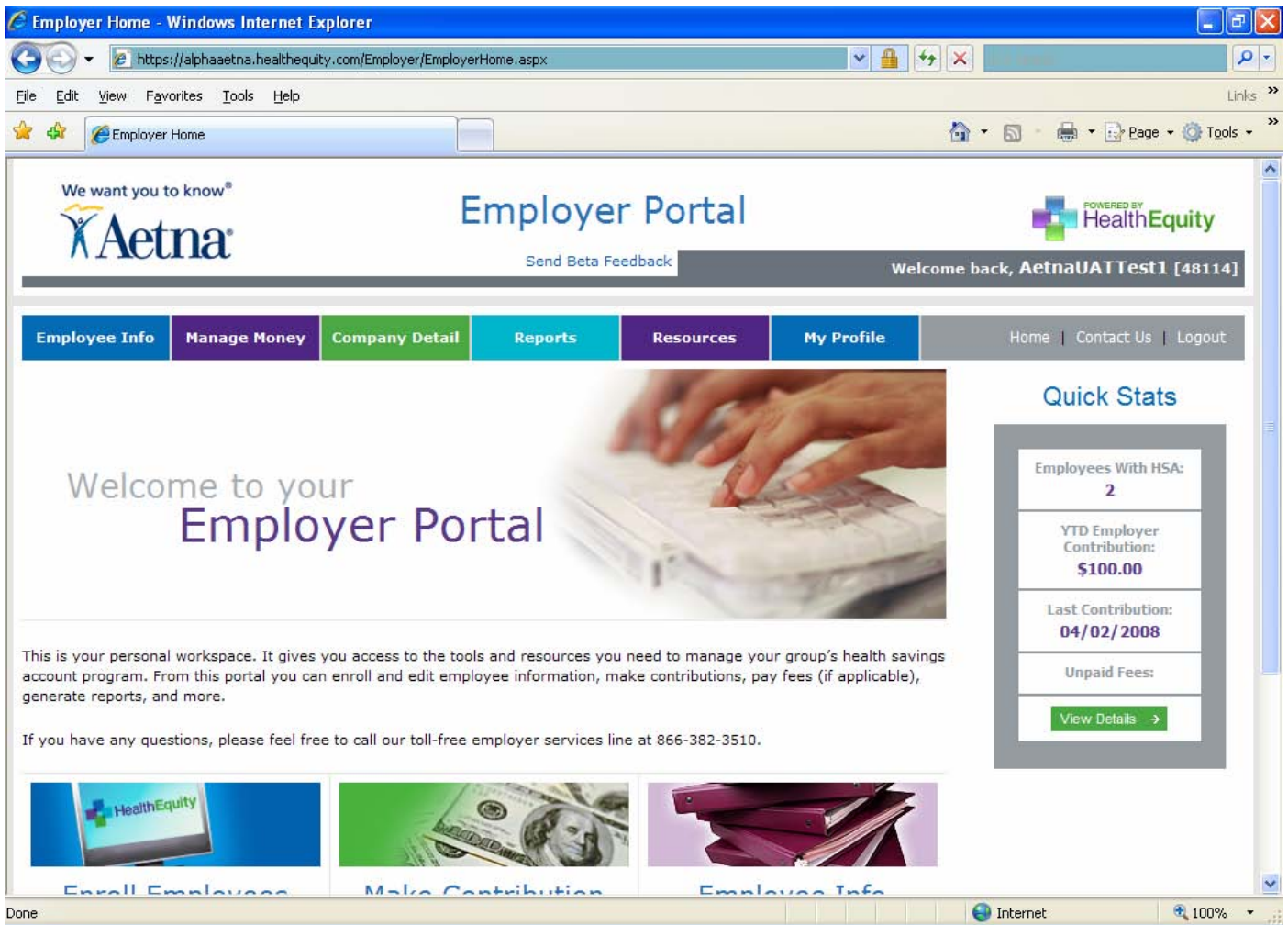
- Broker logs into Producer World
- Under Market Segment, choose Small Group **or**
- Broker/Employer logs onto <http://aetna.healthequity.com> to set up the employer.

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- Important note: The Sold Case Log, Master Application and company name must all be the same.
 - After you click on “Enroll Group”, you will create a unique user name and password.
 - Information needed is company name, tax id, contact phone number and zip code
- Within one business day after set up, the Employer will be sent an e-mail confirming their setup and directs them to their personal Employer portal.
- Individual employee enrollment can begin within 24 hours of receipt of the e-mail.
- **EMPLOYERS MAY DELEGATE A BROKER AT THIS TIME TO PERFORM ALL OR SOME POST SETUP FUNCTIONS.**





- Once the Employer is set up, the Employer/Broker can then log on to the Employer portal to create individual accounts and electronic processing of funding. Due to privacy restrictions, the Employer maintains control over who can view their specific employer portal.



The screenshot shows a web browser window titled "First-Time Employer Login - Windows Internet Explorer". The address bar displays "https://alphaaetna.healthequity.com/HE.aspx". The page header includes the Aetna logo with the tagline "We want you to know", the text "Employer Portal", and "POWERED BY HealthEquity". A navigation menu contains links for "Employee Info", "Manage Money", "Company Detail", "Reports", "Resources", and "My Profile". A secondary menu includes "Home", "Contact Us", and "Logout". The main content area is titled "First-Time Employer Login" and contains a registration form with the following fields: "Company Name", "Tax ID", "Contact Phone Number", and "Zip Code". Below the form are "Submit" and "Cancel" buttons. A message at the bottom of the form reads: "If you are having trouble registering, please contact us at 866-382-3510". The footer contains copyright information: "© Copyright 2008 HealthEquity - All Rights Reserved | HealthEquity Home | Privacy Policy employerservices@healthequity.com".

- HEQ calls the Employer within 5 days of date the Employer set up the site to give instructions on using the employer portal.
- The instruction call can last from ½ to 1 hour – Employers/Brokers can schedule a call with HEQ or can call the toll free Plan Sponsor Services number between 7am and 6pm Monday through Friday.

Enrolling Employees

- Employer goes into their personal employer portal to set up an individual HSA. Employers fill out the required information regarding the employee. Link: <http://aetna.healthequity.com>



- Section 326 of the U.S.A. PATRIOT Act mandates that all banks verify certain information about a consumer before any account can be opened. An HSA will be established only after the employee has successfully completed the Customer Identification Process (“CIP”). The CIP is generally completed within 24-48 of employee set up.
- See CIP Instructions below for more detailed information, including what happens if an employee fails CIP.
- Once the HSA is established, the account holder will be mailed a debit card, pin number (if requested) and client guide. These materials normally arrive within 10-16 business days after the HSA is established.

Broker/Employer Setup Process (Paper instructions)

- All forms can be downloaded from <http://aetna.healthequity.com>
- Broker logs into Producer World
- Under Market Segment, they choose Small Group
- Under Small Group, they choose Forms & Marketing
- Under Forms & Marketing, they choose the specific state



- All enrollment material will be house under this site. (Web site information will also be given to encourage web-enrollment)
- Enrollment Material includes:
 - Enrollment Form (Employer and Employee) – If using paper enrollment, the Employer needs to fill out an **enrollment form to enroll the Employer** in the system.
- The following forms are required for the employee enrollment:
 - Employee enrollment form
 - Custodial Agreement
 - Fee Schedule
- Enrollment forms are mailed or faxed to HEQ. Once forms are received, they are entered into the system within 24 hours. Forms are retained at HEQ.
- Enrollments can be faxed to 1-520-844-7090 or mailed to:

Aetna HealthFund HSA
c/o HealthEquity Enrollment
15 West Scenic Pointe Drive, Suite 400
Draper, UT 84020
- The account will open once the individual’s information has been reviewed through a government required identify screening process (part of the US Patriot Act – usually completed within 24-48 hours). This process is referred to as the Customer Identification Process (CIP).
- See CIP Instructions below for more detailed information.

Employer (Paper Instructions)

- Employer can log into <http://aetna.healthequity.com> and print out forms.
- Employer Enrollment Material includes:
 - Employer Enrollment Form
- Employee Enrollment Material includes:
 - Custodial Agreement*
 - Fee Schedule*
 - Enrollment forms are mailed or faxed to HEQ
- Enrollments can be faxed to 1-520-844-7090 or mailed to:

Aetna HealthFund HSA
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15 West Scenic Pointe Drive, Suite 400
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- Section 326 of the U.S.A. PATRIOT Act mandates that all banks verify certain information about a consumer before any account can be opened. An HSA will be established only after the employee has successfully completed the Customer Identification Process (“CIP”). The CIP is generally completed within 24-48 of employee set up.
- See CIP Instructions below for more detailed information, including what happens if an employee fails CIP.



- Once the HSA is established, the account holder will be mailed a debit card, pin number (if requested) and client guide. These materials normally arrive within 10-16 business days after the HSA is established.

CUSTOMER IDENTIFICATION PROCESS (CIP)

Section 326 of the U.S.A. PATRIOT Act mandates that all banks verify certain information about a consumer before an account can be opened. Thus, each individual who enrolls in an HSA must be vetted through the customer identification process (CIP) before an HSA can be established. CIP is initiated within one business day of receiving an individual's enrollment information. An unsuccessful CIP will be identified within three business days. For more information about what happens when CIP is unsuccessful, please see "Unsuccessful CIP", below.

Status of Accounts during CIP

- Until the employee passes CIP, the account is established placed in a "Verification in Progress" status.
- While In Verification in Progress" status:
 - Contributions are posted to the account; however funds may not be available.
 - Contributions Earn Interest
 - If the account holder passes CIP, the account status will change to "open".

Ensuring a successful CIP:

The following information is required for a successful CIP: Name, Address, Date of Birth and Social Security Number. Inaccurate or missing information will delay the CIP and require additional documentation.

Name

- Must be an individual's legal name
- Do not use nicknames
- Indicate any name changes within the past year (marriage or divorce)
- Documents to establish proof of identify: drivers license, birth certificate, passport, marriage license, divorce decree.

Social Security Number

- Beware of typographical errors, transposing number and additional or missing digits
- Documents to establish proof of social security number: copy of social security card

Address

- Use legal address only.
- Documents to establish proof of address: drivers license, copy of a utility bill

Date of Birth

- Beware of typographical errors, transposing numbers, extra or missing digits.
- Documents to establish date of birth: birth certificate or drivers license



Successful CIP

Upon successful completion of CIP, the HSA accountholder will receive a Welcome Kit and an HSA Debit Card. Refer to the HSA Accountholder Experience section of this manual for more information.

Unsuccessful CIP

An accountholder who has not initially passed CIP will receive a letter identifying the reason for the CIP fail and the information needed to pass CIP

- If no response is received within 15 business days, a second letter will be mailed to the accountholder. An e-mail is also sent to the Employer asking for assistance with clearing the account

If an accountholder does not respond, funds will be returned to the account holder.

Making Employer Contributions

Employer Contribution Reporting:

- Employer/broker logs into <http://aetna.healthequity.com> and goes to their personal portal to allocate member payroll and Employer contributions.
- Once in the Employer portal, click on “Make Contributions”
- Enter employee information, including contribution amount

Another option is to store the information in a file and upload the file.

The screenshot shows the 'Contribution Wizard: Make Contributions' page in a Windows Internet Explorer browser. The page title is 'Employer Portal' and it is powered by HealthEquity. The user is logged in as 'AetnaUATTest1 [48114]'. The main navigation menu includes 'Employee Info', 'Manage Money', 'Company Detail', 'Reports', 'Resources', and 'My Profile'. The 'Make Contributions' section is active, showing a breadcrumb trail: 'Contribution Method | Make Contributions | Check For Errors | Contribution Summary | Pay Fees | Payment Method'. A dropdown menu for 'Choose a Tax Year' is set to '2008'. Below this, there is a text box with instructions: 'Please indicate the amount of employer and employee contribution for each employee's account. You can also save your amounts as the new defaults by clicking the checkbox at the bottom of the table.' There are links for 'Hide Inactive Employees', 'Bottom Of Page', 'Restore Defaults', and 'Clear All Amounts'. A table with the following data is displayed:

Employee ID	Name	Employer Cont	Employee Cont	Open Accounts
856-24-5123	TestUser0402, TestUser0402	<input type="text"/>	<input type="text"/>	HSA
765-29-8762	TestUser20402, TestUser20402	<input type="text"/>	<input type="text"/>	HSA

Below the table is a 'Calculate Totals' button and a checkbox labeled 'Save these as defaults.' At the bottom, there are 'Cancel', 'Previous', and 'Next' buttons.



- If the employer elects EFT for contributions (debit is only option offered) or sends check for contributions allocated on the portal.
 - If EFT is elected, funds are automatically withdrawn from the account the Employer has designated – funds are withdrawn on the same day the debit is done and funds are allocated into the member account within 2-3 business days.
- If a check is to be mailed, a confirmation code is automatically assigned when sending a check is elected on the portal. **THIS CONFIRMATION CODE MUST ACCOMPANY THE CHECK.**
 - Checks are mailed to the following address:

Aetna HealthFund HSA
c/o HealthEquity Inc.
15 West Scenic Pointe Drive, Suite 400
Draper, UT 84020
- HEQ receives contributions and allocation instructions
- Deposits funds to member accounts
- Funds are available to the member within 2 business days after processing for checks and 1 day for EFT.
- If funds received are over the allocated amount, the monies allocated will be applied and the overage will be returned to the originator within 60 days if no further instructions are received.
- If funds received are under the allocated amount, no deposits will be applied. An outreach call will be made to the originator and if no further instructions are received, the whole amount will be returned within 14 days.

Making Employee Contributions:

- If an employee wants to make contributions other than through payroll deductions, they can set up their own EFT or send a check in to the address above. Forms can be found on the website.

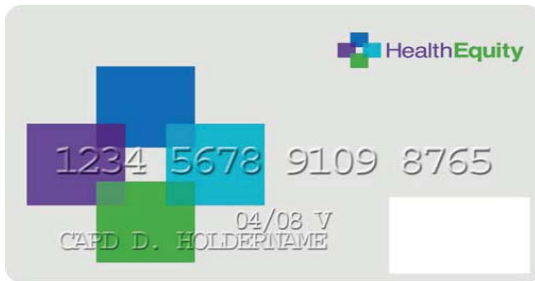
Disbursements

Members can withdrawal funds from their HSA in 3 ways: Cash withdrawals, debit card withdrawals or by using PayChoice Bill Pay.

- Cash Withdrawals can be requested to reimburse the account holder for expenses with were paid out of pocket at the time of purchase. Reimbursement may be made by paper check or via EFT to another bank account owned by the accountholder. Note: if check reimbursement is requested, \$2.00 is charged per check – no charge if EFT is used for reimbursement.
- PayChoice Bill Pay – Account holders can organize and pay their medical claims using this on-line payment tool.
 - Members can pay a provider on-line via a check (no fee) or EFT
 - Payments can be made on a pre-determined schedule.
 - HEQ customer service representatives can assist in working with providers to set up a payment schedule.
 - Members can reimburse themselves for out of pocket medical expenses.
 - Records and stores medical claim records



- Members can create and print monthly and yearly statements.
- HSA Visa Card – Once an HSA is established for an employee, s/he is issued an HSA Visa Card.
- The HSA Visa Card can only be used at certain merchants (e.g. at the pharmacy for prescription purchases)
- **The HSA Visa Card cannot be used at an ATM.**
- The HSA account holder can receive additional HSA Visa cards for a \$5.00 fee – members need to call to order additional cards.



HSA Visa Card Activation

- Register at <http://aetna.healthequity.com>.

Interest

HSA balances are FDIC insured and interest bearing. Interest is compounded and calculated daily for each tier of account balances and outlines in the table below and is credit to the HSA monthly as of the last business day of the statement cycle. If the HSA is closed before the accrued interest is credited no interest will be paid for that month. The interest rate is calculated quarterly and set using a formula based on the Fed Funds Target rate and is subject to change at any time.

Members should refer to their monthly statements or call HealthEquity for current rates and conditions.

	Daily Account Balance	Interest Rate to be paid*	Fed Funds Target Rate	HealthEquity Rate	APY**
Tier 1	\$0 - \$1,000	Fed Funds Target Rate Less 200 basis points	2.25%	0.25%	0.25%
Tier 2	\$1,001 - \$2,000	Fed Funds Target Rate Less 200 basis points	2.25%	0.25%	0.25%
Tier 3	\$2,001 - \$5,000	Fed Funds Target Rate Less 200 basis points	2.25%	1.25%	1.26%
Tier 4	\$5,001 - \$10,000	Fed Funds Target Rate Less 200 basis points	2.25%	1.75%	1.77%
Tier 5	Over \$10,000	Fed Funds Target Rate Less 200 basis points	2.25%	2.25%	2.28%

*The Fed Funds Target Rate is set by the Federal Open Market Committee of the FRB and is subject to change at any time.



**APY means Annual Percentage Yield.

Investment Options:

- HSA members are required to accumulate \$2,000 in their FDIC insured interest-bearing portion of their HSA before investing in alternative options. HSA balances above \$2,000 may remain in the FDIC insured portion of the HSA or they may be invested in various non-FDIC insured mutual funds in a Schwab Investment Account that is administered by HEQ. HSA disbursements are paid from the FDIC insured portion of the HSA. If the FDIC insured portion of the HSA does not have the \$2,000 required balance, future contributions will be directed into the FDIC insured portion of the HSA until the minimum balance requirement is satisfied.
- Members must have an active e-mail account in the HEQ system and a balance of more than \$2,000 in the HSA in order to invest. Any money in excess of the \$2,000 may be invested. Example, if a member has a balance of \$3,000; they can invest any amount over \$2,000 (from \$1 to \$1,000) but must keep the \$2,000 in their cash account.
- Members can choose from 12 mutual funds.
- Investments are not FDIC insured.
- There are no fees associated with having an investment account.
- May take up to 1 week for investments to be traded

Reports

If 5 or more members have elected to open an HSA, you can produce reports via the employer portal. These are aggregate level reports which can give you insight into employee account balances and account usage.

Tax Reporting Requirements

HSA Trustee/Custodian

The HSA trustee/custodian is responsible for the following reporting obligations:

- Form 1099S-A
 - Mailed in January for the previous tax year
 - Reports all account distributions (i.e., HSA withdrawals), including ATM withdrawals, debit card purchases and check payments.
- Form 5498S-A
 - Mailed in May for the previously tax year
 - Reports all contributions to the HSA, through April 15th
 - Includes interest earned through December 31st of the tax year. (Earned interest is not a contribution to the HSA.)
 - States the year-end account value
 - Incoming rollovers, trustee-to-trustee transfers and qualified HSA distributions are not reported as contributions; these are reported separately on this form.

Employer Responsibility

Employers are responsible for reporting any contributions made by the employer, including contributions made via Section 125 salary reduction elections by employee. These amounts should be included on the employee's W-2.



- Form W-2
 - Box 12 (code W) is used to report all Employer contributions, including employees' pre-tax payroll deductions.

Accountholder Responsibility

Every HSA accountholder must file Form 8889 as part of his or her annual Form 1040 tax filing

- Form 8889
 - Report all contributions, withdrawals, earned interest, excess contributions and any withdrawals for non-qualified expenses.

All forms references in this section can be found at the IRS website, <http://www.irs.gov/>.

Customer Service

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 - Broker/Employer hours of operation – Monday – Friday, 7am – 6pm MST.

Investment services are independently offered through HealthEquity, Inc.

Investors should carefully read the Fund prospectus, which includes information on the Fund's investment objectives, risk, as well as charge and expenses along with other information before investing. Prospectuses are available on <http://aetna.healthequity.com>. Funds in investments are not FDIC insured and are subject to loss.

The HSA Visa® card and investment services are provided by HealthEquity, Inc. HealthEquity is a registered trademark. You may receive communications that reference the HealthEquity name, where appropriate.

This material is for information only and is not an offer or invitation to contract. Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered.

See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services. Providers are independent contractors and are not agents of Aetna.

Information is believed to be accurate as of the production date; however, it is subject to change.

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