

# Investing with your health savings account (HSA)

## Frequently Asked Questions (FAQs)

### How does an investment account work?

- Members enrolled in an HSA have the option to open an investment account and buy shares from a diversified group of mutual funds.
- Any earnings from your HSA investments grow tax-free.
- When you reach the required minimum balance threshold in your HSA cash balance, you have the option to open an investment account.
- If you later need access to spend those invested dollars, simply transfer (sell mutual funds) from the investment account to the HSA account.

### Where do I begin my investment journey online?

Log in to [payflex.com](https://payflex.com). Click **My Investment Journey** to get started.

### Where can I find the list of mutual funds available?

- Prior to opening an investment account, click **My Investment Journey** from the home page after you log in online. Then click **My Investment Options** under Learn More to view the fund options.
- After you open an investment account: From the home page, click **View Account Details** under the HSA options, then **Research Investment Options** under **Manage Investments**.



### What research tools are available?

- Prior to opening an investment account, click **My Investment Journey** from the home page after you log in online.
  - Under Learn More, click **My Investment Options** to view the **Fund Prospectus** for each fund offered.
  - Under Learn More, click **View Investment Summary** to view the quarterly **Fund Performance Report**.
- View the **Fund Prospectus** for each mutual fund on [payflex.com](https://payflex.com) when you open an account and buy mutual funds.
- Search the Fund Name or Ticker online (PayFlex uses **Morningstar.com**).

### How do I open the investment account?

- From the website home page, click on **View my investment journey**. If your HSA cash balance meets the threshold, you'll be able to open an investment account. You'll be shown the amount you're able to invest/transfer.
- It may take up to 24 hours to establish the investment account.
  - a) Any trades requested prior to your account opening will be pended and processed on the first available trade date following the day your account is established.
  - b) The first available trade date is the business day following the date your investment account is established.

- c) Mutual fund transactions typically settle one business day after the trade date when submitted by the cut-off time for that business day (4 pm ET).

### How do I buy shares of a mutual fund?

- When the investment account opens, you can **Buy Mutual Funds** (transfer funds to the investment account from the HSA cash balance), as long as your HSA cash balance meets the balance threshold.
- When transferring funds from the HSA cash balance, you just allocate the specified dollar amount from the HSA toward your chosen mutual funds.
- Any trades initiated after the market closing time (4 p.m. ET) will process the next market day. Share price subject to vary based on current market conditions. Price listed is accurate at closing of the previous day that the markets were open. Amount displayed does not guarantee current share price.

### Is there a monthly fee or cost associated with the HSA investment account?

No. There's not a monthly fee to maintain your investment account.

### How long does it take to complete a transaction (buy/sell/rebalance)?

- Trades initiated prior to 4 p.m. ET post the following market day.
- Trades completed on or after 4 p.m. ET will be completed by the second following market day.
- Trades do not post during bank holidays.

### How do I pull money from my HSA investments back to my HSA cash account to pay a bill?

- In order to increase the balance in your HSA using the investment balance, you can **Transfer From (sell) shares** from the desired mutual fund(s).
- The transfer will go to the HSA cash balance for you to use as a distribution from the HSA.

### What is rebalancing / manage portfolio?

- Rebalancing means adjusting your holdings (buying and selling certain stocks, funds, or other securities) to maintain your established asset allocation.
- You can rebalance on a one-time basis or set up a rebalance frequency schedule (monthly, quarterly, semi-annually, or annually).

### Can I set up recurring transfers into the investment account?

- Yes, you can set up and manage recurring new transfers from the HSA cash balance to the investment account weekly, biweekly, monthly, or quarterly.
- From the home page, choose **Manage Recurring Investments** under **Manage Investments** section.
- You can modify or cancel the recurring transfers at any time.
- You'll have the option to transfer on a recurring basis:
  - A percentage (%) of future HSA payroll contributions or;
  - A sweep of your HSA cash balance over a set threshold (as long as the threshold meets the minimum required for the HSA cash balance).
    - Example: If you have an HSA balance of \$2,000, and you set the recurring sweep threshold at \$1,000 -- \$1,000 will sweep into the investment account balance during the next scheduled recurring sweep along with any other deposits that went into the HSA cash balance.

### How can I access an investment statement?

- You may view your monthly HSA statements under the home page, under **Account Actions** and **View HSA Statements**.
- The monthly HSA statement will list your HSA opening and closing balance, debits and credit transaction details, interest earned, etc.
- The monthly HSA statement will list the beginning and ending balance in your investment portfolio, gains/losses, dividends earned, and a breakdown of fund allocations.

### **Are dividends (gains) automatically reinvested from my HSA cash balance into my investment account/fund allocations?**

- No. Dividend earnings credit to your HSA cash balance.
- You may do another transfer/buy using your HSA balance as long as your minimum threshold is met.

### **Why does the price per share calculation reflect a different calculation than the post date?**

- When buying or selling on an open market day, before market closing, the number of shares purchased or sold will reflect the current days market price.
- But, if the buy or sell is after market close or during a weekend/holiday, the number of shares calculated is based on the following market days Net Asset Value.
- During bank holidays, the transaction may post on a different day than what the market days buy or sell took place, but would be calculated based on the proper trade date.

### **How do I close my investment account?**

- Under **Manage Investments**, go to **My Investments**. You'll have the option to close the account.
- Please note, when closing the account, the funds are liquidated and moved to your HSA cash account balance.
- When the account is closed, mutual funds are sold according to the market closing price based on trade initiation.

### **Who selects the HSA funds that PayFlex offers?**

- Lockwood Advisors, a BNY Mellon company affiliate, determines what funds will be offered under the BNY HSA Investment Platform.
- PayFlex has the final determination in which funds offered under the BNY HSA Investment Platform are offered under the PayFlex plan.

### **How are gains/losses for Mutual Funds calculated?**

- All funds available for investment are traded at Net Asset Value (NAV). NAV per share is calculated daily.
- This is based on closing market prices of securities in the fund's portfolio. All mutual funds buy and sell orders are processed at the NAV after the trade is received.

### **Do I have to pay early redemption or load fees?**

- All of our funds through BNY have no load fees or early redemption fees.
- When you view the prospectus for a particular fund, this includes fees for public view, but they aren't relevant to the investment account through PayFlex HSA.

### **Where can I find the current expense ratio for a fund?**

You can find this under the prospectus.

### **Are investment funds FDIC insured?**

No. Funds in the investment are not FDIC insured and are subject to potential losses. Funds in the HSA cash account are FDIC insured.

### **Does PayFlex offer investment advice?**

No. PayFlex agents aren't qualified to offer investment advice.

### **Who do I contact for investment advice?**

If you're seeking investment advice, we recommend that you speak with an investment advisor prior to making investment transfers and managing your investment account.

There may be fees associated with a Health Savings Account ("HSA"). These are the same types of fees you may pay for checking account transactions. Please see the HSA fee schedule in your HSA enrollment materials for more information.

This material is for informational purposes only and is not an offer of coverage. It contains only a partial, general description of plan benefits or programs and does not constitute a contract. It does not contain legal or tax advice. You should contact your legal counsel if you have any questions or if you need additional information. In case of a conflict between your plan documents and the information in this material, the plan documents will govern. Eligible expenses may vary from employer to employer. Please refer to your employers Summary Plan Description ("SPD") for more information about your covered benefits. Information is believed to be accurate as of the production date; however, it is subject to change. PayFlex cannot and shall not provide any payment or service in violation of any United States (US) economic or trade sanctions. For more information about PayFlex, go to **payflex.com**.

Investment services are independently offered through a third party financial institution. By transferring funds into an HSA investment account you can potentially benefit from capital appreciation in the value of mutual fund holdings. However, you will also be exposed to a number of risks, including the loss of principal, and you should always read the prospectuses for the mutual funds you intend on purchasing to familiarize yourself with these risks.

The HSA investment account is an optional, self-directed service. We do not provide investment advice for HSA investment account participants. You are solely responsible for any investment account decisions you make. Mutual funds and brokerage investments are not FDIC-insured and are subject to investment risk, including fluctuations in value and the possible loss of the principal amount invested. The prospectus describes the fund's investment objectives and strategies, their fees and expenses, and the risks inherent to investing in each fund. Investors should always read the prospectus carefully before making any investment decision. System response and account access times may vary due to a variety of factors, including trading volumes, market conditions, system performance, and other factors.

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