



## IMPLEMENTATION INFORMATION

### HEALTH SAVINGS ACCOUNT

Welcome to Alerus. We appreciate the opportunity to provide employee benefit services for you and your employees. This is an outline of the documentation and information necessary to implement your health savings account (HSA) with Alerus.

#### Implementation Process

To begin the implementation process, review and complete the Client Information Form. Once completed, please return the updated version to Alerus at [hwsetup@alorus.com](mailto:hwsetup@alorus.com).

#### Implementation Timing

If implementing a non-calendar year plan, Alerus will need the completed implementation paperwork returned four weeks prior to the effective date. If requesting a January effective date, the completed implementation paperwork will need to be submitted in early November. Please see your salesperson or account executive if a more detailed time frame is needed.

#### Alerus Service Directory

##### Consulting Assistance

###### DeAnn Fiore

Health and Welfare Account Executive  
P.O. Box 64535, St. Paul, MN 55164-0535  
[deann.fiore@alorus.com](mailto:deann.fiore@alorus.com)  
952.253.1283

##### CLIENT SERVICE CENTER

Monday – Friday, 7 a.m. – 7 p.m. CT  
877.661.4727  
[healthbenefits@alorus.com](mailto:healthbenefits@alorus.com)

##### Implementation Services

Health and Welfare Implementation  
[hwsetup@alorus.com](mailto:hwsetup@alorus.com)  
800.898.9344

- Stacie Ravenhorst, CFC
- Rebecca Nordaas

Once set up is complete, the implementation specialist will assign an administrator to your plan and notify you.

#### Participant Census Data

Submit the enrollment spreadsheet to Alerus upon completion via secure email connection since it contains confidential information. Contact our implementation department at [hwsetup@alorus.com](mailto:hwsetup@alorus.com) or 800.898.9344 with questions regarding secure transmission.

#### HSA Plan Funding

All HSA employee and employer contributions must be transferred to the trustee, Alerus. Since the HSA funds are invested and earn interest, they should be transferred to Alerus as promptly as possible after payroll. Alerus requires an ACH pull from the employer's bank account in the amount of the HSA contributions. The ACH pull will be initiated once the HSA contribution summary is received and will take one to two business days to settle.

**Note:** The ACH pull method requires an authorization form be completed and submitted to Alerus, along with a cancelled check. Please allow one to two weeks for approval and setup with Alerus.

## HSA Plan Document Requirement

Since HSAs are individually owned accounts, rather than an employer-sponsored plan, ERISA does not apply and no plan document is required. However, many employers will allow their employees to fund HSAs with pretax payroll deductions. This requires a Section 125 cafeteria plan be in place. The Section 125 plan document must incorporate the HSA by reference as a benefit funded through the plan.

## HSA Salient Points

- Eligibility is a key requirement to open an HSA
  - Employee must be covered by a qualified HDHP
  - Employee cannot be covered on a “non-HDHP” as a dependent
    - Includes FSA
  - Employee cannot be eligible for Medicare or Tricare
- An account must be established (paperwork plus contribution)
  - Once established, employees can change contribution amount monthly
  - Only claims incurred after the established date can be reimbursed
  - Incurred claims do not have to be reimbursed out of the HSA
- The contributions are held in trust
  - Alerus is the custodian
  - A beneficiary must be designated
    - Transfers to spouse as an HSA upon death
    - As an asset to any other beneficiary
  - Rolls over from year to year
  - Accumulate at interest (capital appreciation)
- Contributions
  - Can change monthly
  - Can fund back to beginning coverage of HDHP if HSA established within the tax year. (Example coverage on HDHP 1/1. HSA opened (established) 7/1. Account can be funded back to 1/1 but only claims incurred after 7/1 are eligible.)
  - Can fund up to the annual maximum:
    - 2025: \$4,300 single, \$8,550 family
    - 2026: \$4,400 single, \$8,750 family
    - 55 or older can contribute additional catch-up of \$1000
  - Pre-tax for W2 employees (total pretax employee and employer contributions will be together in Box 12 of W2)
  - Above the line deduction for S Corp, partnerships, LLCs (no FICA or Medicare tax savings)
  - Account can be pre-funded
  - Claims can be post-funded
    - Have until April 15 of following year to contribute
  - Testing periods apply; if someone ceases to be on a HDHP or obtains conflicting coverage tax will apply to excess contributions
- Distributions
  - No tax if for medical, dental, and vision (213(d) expenses)
  - All 213(d) expenses are eligible
  - Non-medical distributions are taxed and a 20% excise tax applies
  - Twenty percent excise tax doesn't apply if account holder is 65 or older
  - By check or direct deposit reimbursement within 5 days (Spender debit card also)
- End of year tax info.
  - 8889 Form – Must be completed by HSA participants when filing income taxes
  - 1099-SA – Filed by Alerus and reports all HSA distributions paid for tax year
  - 5498-SA – Filed by Alerus after 4/15 and reports final values of HSA for tax year

## Ongoing Administration

### Plan Administrator

Employers will be assigned a plan administrator who will be responsible for managing the plan. The plan administrator will serve as the employer's main contact at Alerus and will keep the employer informed of any important information regarding their plan.

### Commonly Used Forms

Employers and employees can access HSA information and forms online at [alerusrb.com](http://alerusrb.com).

### Terminated Participants

When an HSA participant is terminated, their account will remain open and active as long as a balance exists. The terminated employee will be removed from your company's plan and placed into an individual plan where the monthly administrative fee will be drawn directly from the balance of their HSA. They also have the option to transfer their HSA funds to another trustee.

Once notified of a termination, we will send the participant a letter explaining their options and include the form necessary to transfer their HSA funds to another trustee. **It is important you notify Alerus of terminations in a timely manner.** (The HSA termination form is available on the website referenced above.)

### Administrative Invoices

Alerus processes invoices for services on the 15th of each month. Employers will receive a notification email to review the invoice online. Alerus requires monthly invoices to be paid by EFT. Invoices are sent by email 10 days before the EFT transfers occurs.

Invoice detail can be accessed online at [alerusrb.com](http://alerusrb.com). You will be assigned a user ID and password for this website during the implementation process.

### Client Service Center

Alerus is happy to assist you and your employees with any questions, requests, or concerns regarding our services. Contact our client service center representatives as indicated on the front page.

Participants can access their accounts online or via the mobile app at any time. Online, they will have the ability to review their balances and account history, request payment from their plan, update personal information, modify investment elections and/or transfer funds between investments, and email Alerus' client service center. Employers can also access participants' account information online through our employer website.