



STERLING HSA®

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HSA Administration Instructions

The following instructions are to help employers with HSA administration. No Plan Document is needed for Health Savings Accounts (HSAs). Each HSA is owned by the individual accountholder. An HSA plan does not require annual renewal.

Payroll/Taxes

- HSA contributions are Federally tax-free in all states.
- State taxes may apply to HSA contributions and interest earned. Consult your tax advisor for additional information and inform your payroll department so that contributions can be set up in accordance with your state HSA tax rules.
- You must have a Section 125/POP/Cafeteria Plan in order to make HSA contributions pre-tax
- HSA contributions may be shown in Box 12 of employee W2's. HSA contributions should not be included in Box 1 of employee W2's - Federal Income, but should show up in Box 16 if state taxes apply.

Debit Cards

- Sterling MasterCard debit cards are optional and not sent unless requested on the application form.
- Allow 7-10 days from the time the application is entered into the Sterling HSA system for delivery of cards.
- One Sterling HSA debit card is issued per HSA in the accountholder's name. Additional debit cards for dependents may be ordered. A minimal fee may apply for some plans.
- To order additional debit cards simply complete the debit card request form available on the forms page of the Sterling HSA website at www.sterlinghsa.com and fax or mail it to the Sterling offices.

New Hires and Terminations:

- IRS Rules require that we receive an original "wet signature application" and funding before a new HSA account can be established. There are three ways to do this:
 - Mail in original application along with standard employer HSA contribution and list bill. Note we cannot accept faxed applications.
 - Mail in original application along with an initial deposit check. Note we cannot accept faxed applications.
 - Enroll online at www.sterlinghsa.com.
- HSA Accounts are owned by each accountholder, are fully vested when funds are deposited and portable. Please update your monthly List Bill to reflect any changes to your workforce.
- COBRA rules do not apply to employer contributions to employee HSAs.

Reimbursement for qualified medical expenses:

- Employees must submit a disbursement form (available on the forms page of www.sterlinghsa.com) along with receipt(s) and/or an Explanation of Benefits (EOB) from the medical carrier.
- Reimbursements can be made to the service provider or accountholder. Accountholders can also request that Sterling simply scan and file their receipt/EOB without reimbursement.

Third Party Investments:

- To transfer funds from a Sterling HSA account to another financial institution, accountholders must download the following two forms from the forms page at www.sterlinghsa.com.
 - Transfer of Assets form
 - Sterling as an interested Third Party form.
- Please consult with Sterling HSA on the process to set up self-directed investments.

For all account service issues please call Sterling customer service at 800-617-4729 from 8 am to 6 pm Pacific time Monday - Friday or email us at [**customer.service@sterlinghsa.com**](mailto:customer.service@sterlinghsa.com).