

Frequently Asked Questions about ALERAPAY Health Cloud Health Savings Brokerage Account (HSBA)

1. What is the ALERAPAY Health Cloud Health Savings Brokerage Account?

The HSBA is an individual brokerage account offered by **Charles Schwab** that is integrated into the ALERAPAY Consumer Portal.

2. Who should choose to invest through the HSBA?

The HSBA is for knowledgeable investors who understand the risks associated with many of the investment choices available through the HSBA and who are committed to staying invested for the long-term. The HSBA is designed for consumers who seek more flexibility, increased diversification and a greater role in managing their HSA.

3. How does the HSBA differ from a typical brokerage account?

The HSBA is different from a typical retail brokerage account because it is part of the consumer's health savings account (HSA). Since the consumer's assets are part of a HSA, the investments are tax deferred. The HSBA is only able to be funded through the consumer's HSA.

4. What investments are available through the HSBA?

The consumer can access more than 8,500 mutual funds from over 630 well-known fund families. Over 3,900 mutual funds are available with no-loads and no-transaction fees, including over 2,700 load-waived funds typically available only to institutional clients. The consumer will also have over 500 commission-free exchange-traded funds through Schwab ETF OneSource. Other investments include individual stocks, bonds and other fixed income investments and money market funds.

5. How does a Consumer open a HSBA?

The following are the steps to open an HSBA. Note, the consumer must have a balance in their HSA Investment Account, prior to opening an HSBA.

- From the ALERAPAY Health Cloud Consumer Portal, the Consumer can go to the **Manage Investments** page and select to enroll in the **Health Savings Brokerage Account**.
- The consumer then follows the steps to complete the online enrollment.
- Upon submitting the online application, a new HSBA account number will be displayed, and the consumer will be re-directed to www.Schwab.com
- From the www.Schwab.com login page, the consumer needs to select "Register" to complete the set up for online access. The consumer will need to input their SSN, new HSBA account number, date of birth and home phone number for this step.
- This completes the enrollment process.
- The consumer will be notified via the Message Center on the ALERAPAY Health Cloud Consumer Portal the next business day that the Health Savings Brokerage Account is available.
- The consumer will receive welcome materials via mail within a few days.

6. How can the consumer log into the HSBA?

The consumer can access their HSBA from the *Manage Investments* page on the ALERAPAY Health Cloud Consumer Portal once the enrollment is completely processed. There will be a 'Manage' HSBA option from the list of items on this page. In addition, the consumer can login directly from the www.schwab.com website.

7. Can a consumer view their other Schwab investment accounts while in the Schwab portal?

Yes, the consumer will be able to navigate and view any other investment accounts that he/she may have with Schwab. However, the HSBA is designed to only allow transfers to/from the consumer's Health Savings Account, so the system will not allow any transfers between the HSBA and another Schwab account.

8. How does the consumer transfer their HSA money into the HSBA?

There are two methods in which the consumer can transfer HSA funds to their brokerage account.

- The consumer can transfer already invested funds from the Rebalance Portfolio / Fund to Fund Transfer page. This option will liquidate selected fund(s) and transfer them to the brokerage account.
- The consumer can use (if enabled) the Manual Investment Transfer functionality from the *Manage Investment* page or from *Make HSA Transaction* page on the ALERAPAY Health Cloud Consumer Portal. This option allows consumers to move HSA Cash directly into the brokerage account.

9. Is there a minimum transfer amount required?

When using the Manual Investment Transfer option, there is a \$100 minimum.

10. What does the Health Savings Brokerage Account Cost?

Transaction fees and trading commissions are outlined in the *Charles Schwab Pricing Guide for Retirement Plan and Health Savings Accounts* provided in the welcome materials provided to the consumer.

11. What information is available to help the consumer learn and select investments?

- Powerful proprietary research tools on Schwab.com, including Schwab Equity Ratings^{TM4}, the Schwab Mutual Fund OneSource Select List^{R1}, and the Schwab ETF OneSource Select List^{TM2}. In addition, Schwab provides research, CFRA, Morningstar®, Reuters and MarketEdge®.
- Equity, mutual fund, exchange-traded fund and fixed income screener tools to help the consumer choose their investments.
- Knowledgeable HSBA Contact Center representatives who can help with investing information.
- Find information about HSBA at www.schwab.com/hsba.
- Over 350 Schwab branch offices nationwide to help the consumer with their investment needs.

12. How does the consumer invest the money in their HSBA?

If cash is transferred from the HSA cash account into the HSBA, it can take up to three business days for the cash to be available for investment in the HSBA. If mutual funds are sold and the proceeds

are transferred to the HSBA, it can take up to four business days for the cash to be available for investment in the HSBA. Once the cash is available in the HSBA, it can then be used to purchase securities.

13. Can the consumer make direct payroll contributions to the HSBA?

The consumer cannot make direct payroll contributions to the HSBA at this time.

14. How does the consumer transfer funds out of the HSBA back into their HSA?

The consumer sells holdings in their HSBA. The consumer can then transfer the cash from the HSBA into the HSA cash account by selecting the Manual Investment Transfer option on the ALERAPAY Health Cloud consumer.

15. How does the consumer transfer funds out of the HSBA back into their HSA?

The consumer sells holdings in their HSBA. The business day after the HSBA sale has settled, the cash is available on the ALERAPAY Health Cloud consumer portal. The consumer can then transfer the cash from the HSBA into the HSA Investment Account by selecting the Rebalance Portfolio / Fund-to-Fund Transfer page on the ALERAPAY Health Cloud consumer portal. On this page the consumer selects from the HSBA fund and transfers to other mutual funds.

16. Is there a HSBA statement?

Schwab will mail an HSBA statement each month, to the consumer, regardless of activity. The consumer can also see their statement, balance, and view all transactions made within the last two years by logging into schwab.com. Consumers can also enroll in the paperless option and electronically receive their statements, trade confirmations, and other regulatory materials via email.