

Tax-Advantaged Accounts Transitioning to Optum Bank

Frequently Asked Questions

Effective January 1, 2021, Optum Bank will be the new administrator for the State of Arizona's tax-advantaged health savings accounts (HSAs). This FAQ gives you information on what to expect during the transition from PayFlex. Optum and its subsidiary, Optum Bank, Member FDIC, are dedicated to making health accounts work better for everyone. Visit optumbank.com/arizona to learn more.

Health Savings Account (HSA)

Q: What will happen to my existing HSA with PayFlex?

A: Beginning January 1, 2021 you will have a new HSA with Optum Bank with your employer contribution along with your own contributions through payroll.

Your employer will instruct PayFlex to transfer your previous HSA account balance to Optum Bank. Your HSA balance at PayFlex will be transferred to Optum Bank on February 19, 2021 and will be available in your new Optum Bank HSA on February 22, 2021. In order to allow time for outstanding transactions to settle and investments to be liquidated, there will be a transition period beginning January 28, 2021, until the transfer to Optum Bank is complete on February 22, 2021, when you will be unable to access the funds in your PayFlex HSA.

If, during open enrollment, you elect to not transfer your HSA from PayFlex to Optum Bank, you will incur a monthly administrative charge from PayFlex, starting January 1, 2021, and as a result, you will have two HSAs you will need to manage.

Q: What will happen to my HSA investments through PayFlex?

A: Your existing HSA investments will be liquidated by PayFlex as part of the transfer process, unless you have elected to maintain your PayFlex account and declined to have it transferred to Optum Bank. Your liquidated funds will be deposited into your Optum Bank HSA cash account.

Q: How much money do I need to have in my Optum Bank HSA to invest?

A: The Optum Bank investment threshold is \$1,000. This threshold ensures you will have ready cash dollars for qualified medical expenses. You can invest any amount over this threshold, in \$100 increments, as long as you maintain a minimum of \$1,000 in your HSA cash account. Optum Bank offers more than 30 mutual fund options, designed for all levels of investors, with passive and active management options. The options represent strong performing name brand funds, including several Vanguard funds as well as target-date funds and lifestyle funds.

Q: Will my beneficiary elections be migrated to Optum Bank?

A: No, your beneficiary elections with PayFlex will not be migrated to Optum Bank. You'll need to make new beneficiary elections after your Optum Bank HSA is opened.

Q: Do I need to accept new terms and conditions?

A: Yes, you will be asked to accept Optum Bank's HSA terms and conditions during enrollment.

Q: Will my account numbers change?

A: Yes, because you will have a new HSA opened with Optum Bank, your HSA bank routing and account numbers will change.

Q. Will there be two separate tax reports for 2020?

A: For 2021, you will receive two sets of tax documents—one from PayFlex and one from Optum Bank. In 2022 and beyond, you'll receive only one set of tax documents from Optum Bank, unless you choose to keep your PayFlex HSA.

Investments are not FDIC-insured, are not guaranteed by Optum Bank and may lose value.

Health savings accounts (HSAs) are individual accounts offered or administered by Optum Bank®, Member FDIC, and are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account.

Mutual fund investment options are made available through the services of an independent investment advisor. Shares are offered through Charles Schwab & Co., Inc., a registered broker-dealer. Orders are accepted to effect transactions in securities only as an accommodation to HSA owner. Optum Bank is not a broker-dealer or registered investment advisor, and does not provide investment advice or research concerning securities, make recommendations concerning securities, or otherwise solicit securities transactions.

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