

# HSA Account Application and Agreement



To open and fund your new account(s), please provide all the information requested. Be sure to initial any corrections or cross-outs. Any corrections to the Tax ID or SSN will require the submission of a new W-9. If the account holder is a non-US Person, the appropriate IRS form W-8 must be provided from the non-US holder.

Account Number

## Step 1. Advisor Details

Advisory Firm or Money Manager Firm Name	RIA or Money Manager Firm Number
Advisory Representative 1 Name	Rep ID
Advisory Representative 2 Name (if applicable)	Rep ID

## Step 2. Primary Account Holder Information

### A. Individual's Account Information

First Name	Middle Initial	Last Name	Social Security Number
Date of Birth (mm/dd/yyyy)			

### B. Individual Details

#### 1. Contact Information

Home Phone	Mobile Phone	Business Phone	Email Address (Required for eDelivery)	
Legal Address (Required, no P.O. Boxes)			Address 1	Address 2
City			State	Zip Code
Country		Province	Foreign Postal Code	
Mailing Address (If different from legal address)			Address 1	Address 2
City			State	Zip Code
Country		Province	Foreign Postal Code	

#### 2. Citizenship Status

All applicants must provide the information below and may include a copy of their identification to avoid delays in processing. Select one type of identification:

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**U.S. Citizens Only:**

- Driver's license or ID card issued by a state or outlying possession of the United States
- ID card issued by a federal, state or local government agency or entity
- U.S. Passport
- Certification of U.S. Citizenship (INS Form N-560 or N-561)

**U.S. Resident Aliens Only:** (Driver's License not accepted)

- Unexpired foreign passport with I-551 stamp or attached INS Form I-94 indicating unexpired employment authorization
- Permanent Resident Card or Alien Registration Receipt Card with photograph (INS Form I-551)

\_\_\_\_\_  
State or Country of Issuance

\_\_\_\_\_  
Identification Number

\_\_\_\_\_  
Expiration Date (mm/dd/yyyy)

**3. Employment** (If Retired or Unemployed, please check the appropriate box below).

If Employed/Self-Employed, please complete all employment fields including occupation.

- Employed
- Self-Employed
- Retired
- Unemployed
- Homemaker
- Student

**Employer Name**

\_\_\_\_\_  
Employer's Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Country

\_\_\_\_\_  
Province

\_\_\_\_\_  
Foreign Postal Code

**Occupation** - Required if Employed/Self-Employed is chosen above. Please choose the most accurate occupation type from the below:

- |                                      |                                             |                                                 |                                                     |                                          |
|--------------------------------------|---------------------------------------------|-------------------------------------------------|-----------------------------------------------------|------------------------------------------|
| <input type="checkbox"/> Accountant  | <input type="checkbox"/> Construction       | <input type="checkbox"/> Government             | <input type="checkbox"/> Manufacturing              | <input type="checkbox"/> Retail          |
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Customer Service   | <input type="checkbox"/> Healthcare             | <input type="checkbox"/> Marketing                  | <input type="checkbox"/> Social Services |
| <input type="checkbox"/> Artist      | <input type="checkbox"/> Education          | <input type="checkbox"/> Import-Export          | <input type="checkbox"/> Military                   | <input type="checkbox"/> Transportation  |
| <input type="checkbox"/> Aviation    | <input type="checkbox"/> Engineer/Scientist | <input type="checkbox"/> Information Technology | <input type="checkbox"/> Nonprofit Professional     | <input type="checkbox"/> Travel          |
| <input type="checkbox"/> Banker      | <input type="checkbox"/> Entertainment      | <input type="checkbox"/> Insurance              | <input type="checkbox"/> Office and Administrative  | <input type="checkbox"/> Vehicle Sellers |
| <input type="checkbox"/> Casino      | <input type="checkbox"/> Finance            | <input type="checkbox"/> Legal Services         | <input type="checkbox"/> Personal Care and Services |                                          |
| <input type="checkbox"/> Clergy      | <input type="checkbox"/> Food Services      | <input type="checkbox"/> Maintenance            | <input type="checkbox"/> Real Estate                |                                          |

**4. Industry and Other Affiliations**

**Are you, your spouse, or any other immediate family members, including parents, in-laws, siblings, or dependents:**

**A. Employed by or associated with the securities industry** (for example, a sole proprietor, partner, officer, director, branch manager, registered representative, or other associated person of a broker-dealer firm) **or a financial services regulator?**

- Yes  No

If Yes, please specify entity below.

- |                                                                       |                                                                      |
|-----------------------------------------------------------------------|----------------------------------------------------------------------|
| <input type="checkbox"/> Broker-Dealer or Municipal Securities Dealer | <input type="checkbox"/> FINRA or other Self-Regulatory Organization |
| <input type="checkbox"/> Investment Advisor                           | <input type="checkbox"/> State or Federal Securities Regulator       |

Name of Entity(ies): \_\_\_\_\_

If this entity requires its approval for you to open this account, please provide a copy of the Compliance Letter of Approval with this Application.

- I have included a copy of the Compliance Letter of Approval with this Application.
- A Compliance Letter of Approval is not required.

**B. An officer, director or 10% (or more) shareholder in a publicly owned company?**

- Yes  No

\_\_\_\_\_  
Name of company(ies)

\_\_\_\_\_  
Symbol(s)

If Yes, what is your title?  10% shareholder  CEO  CFO  COO  Other Officer

**C. A senior military, governmental or political official in a non-US country?**

- Yes  No

\_\_\_\_\_  
Name of country

**Step 3. Trusted Contact (Optional)**

By choosing to provide information for a Trusted Contact Person ("TCP"), you authorize your Advisor to contact and to disclose information about you and your account(s) to the TCP:

- Provide the TCP with information about you or your account(s), but does not provide the TCP with the ability to transact on your account(s)
- Inquire about your current contact information or health status
- Inquire if another person or entity has legal authority to act on your behalf (e.g. legal guardian or conservator, executor, trustee, or holder of a power of attorney)

The TCP must be at least 18 years old, must be someone other than an account holder and cannot be your Advisor. The Advisor may provide the TCP information about you or your account(s) but does not allow the TCP the ability to transact on your account(s).

First Name	Middle Initial	Last Name	
Mailing Address	City	State	Zip Code
Country	Province	Foreign Postal Code	
Email Address	Phone Number (required)	Relationship	

**Step 4. Beneficiary Designation**

While death beneficiary names provided without the social security number or Tax Identification Number (TIN) will be maintained on file and will be included as a death beneficiary, these names will not be displayed in your online account inquiry application.

If any primary or contingent death beneficiary dies before the account holder, their interest and the interest of their heirs will terminate completely, and the percentage of account balance of any remaining primary death beneficiaries will be increased proportionately. If no primary death beneficiaries survive the account holder, the contingent death beneficiaries will acquire the account at their designated percentages. If no designated death beneficiary survives me, or if I do not designate a death beneficiary, pay the full value of my Account to my estate.

**Trust as death beneficiary.** To designate a trust as a death beneficiary, enter the death beneficiary information as follows:

- Death Beneficiary Name: Provide the full legal title of the trust. Include a list of all trustees and the date of the trust.
- Social security number: Provide the Tax Identification Number (TIN) or the social security number for the trust.
- Percent of account balance: Provide the percentage allocated to the trust.

If the Tax Identification Number (TIN) for a trust is the same as another death beneficiary's social security number, the death beneficiary information for the trust will be maintained on file and will be included as a death beneficiary, but the trust will not be displayed in your online account inquiry application.

The share percentages must add up to 100% for the designated primary death beneficiaries and 100% for the designated contingent death beneficiaries. If the percentages do not add up to 100%, Axos Advisor Services will assume those death beneficiaries will receive equal shares. If your death beneficiary allocation totals at least 99%, but less than 100% (e.g., three named death beneficiaries are each assigned a 33.33% interest in the account), AAS will assign the unallocated remainder to the first death beneficiary. If Primary or Contingent is not marked, then the death beneficiary will be deemed Primary. The death beneficiary(ies) must be named in this section. For example, the terms 'spouse', 'children', or 'per stirpes' are not acceptable designations for "Death Beneficiary Name". Death beneficiary information can be provided and/or modified at any time by completing and signing a subsequent Beneficiary Designation or Change Request form.

By signing this application, I hereby designate the following individuals or entity(ies) as my death beneficiary(ies). If my account is subject to State community property statutes and I do not designate my spouse as the sole primary death beneficiary, I represent, warrant, and covenant that my spouse has consented to the death beneficiary designations below.

Type of Death Beneficiary	Death Beneficiary Name	SSN/TIN	DOB	Relationship	Share
<input type="checkbox"/> Primary	_____	_____	_____	_____	_____%
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	_____	_____	_____	_____	_____%
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	_____	_____	_____	_____	_____%
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	_____	_____	_____	_____	_____%
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	_____	_____	_____	_____	_____%
<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	_____	_____	_____	_____	_____%

Additional death beneficiary information provided (please attach)

**Step 5. Account Funding and Features****A. Cash Sweep (choose one)**

- I hereby provide my consent and authorization to participate in the Axos Advisor Services Insured Deposit Program. I acknowledge that I have read and understand the terms and conditions of the Axos Advisor Services Insured Deposit Program provided at axosadvisorservices.com or by my advisor.
- I elect to not sweep free credits to the Axos Advisor Services Insured Deposit Program, and I understand I will not receive interest on my cash balance.

**B. Initial Funding Source (choose one)**

What is the initial source of funds for this account? If you are transferring assets from another financial institution, please indicate the origin of those funds.

- |                                                   |                                           |                                                       |                                                |                                        |
|---------------------------------------------------|-------------------------------------------|-------------------------------------------------------|------------------------------------------------|----------------------------------------|
| <input type="checkbox"/> Investments              | <input type="checkbox"/> Compensation     | <input type="checkbox"/> Retirement Income            | <input type="checkbox"/> Gift                  | <input type="checkbox"/> Donations     |
| <input type="checkbox"/> Insurance/Annuity Payout | <input type="checkbox"/> Inheritance      | <input type="checkbox"/> Social Security Benefits     | <input type="checkbox"/> Legal Settlement      | <input type="checkbox"/> Spouse/Parent |
| <input type="checkbox"/> Lottery/Gaming           | <input type="checkbox"/> Business Revenue | <input type="checkbox"/> Sale of Business or Property | <input type="checkbox"/> Other (Specify _____) |                                        |

**C. Purpose and Expected Use of the Account (choose one)**

- |                                                                         |                                                        |                                                      |
|-------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Investment account with frequent transfers     | <input type="checkbox"/> Investing for retirement      | <input type="checkbox"/> Investing for tax planning  |
| <input type="checkbox"/> Long-term investment with occasional transfers | <input type="checkbox"/> Investing for estate planning | <input type="checkbox"/> Investing for college/minor |

**Step 6. Electronic Delivery, Trade Confirmations, and Communications Preferences****A. Electronic Delivery**

If you provided an email address in Step 2 you will receive account statements, tax statements, shareholder communications and future account related documents via electronic delivery. Following account opening, you will receive an email from Axos Advisor Services asking you to click the Enroll in eDelivery button to confirm and complete your enrollment for electronic delivery. If you do not provide an email address in Step 2, you will receive documents via U.S. Mail to the mailing address you have provided in Step 2. If the email address provided is returned as undeliverable or if you do not click in the Enroll in eDelivery button in the email you receive, Axos Advisor Services will attempt to send these documents via U.S. Mail to the mailing address you have provided. To change your document delivery preferences and to view the electronic delivery terms at any time, you can log on to your client portal.

**B. Trade Confirmations**

- By checking this box, you will receive trade confirmations within your periodic account statements. If unselected, you will receive a confirmation for each trade made by you or your advisory firm.** These trade-by-trade confirmations will be delivered to you in hardcopy by U.S. Mail if you have elected not to enroll in electronic delivery. If you elect to receive trade confirmations in your periodic account statements, you may still retrieve trade-by-trade confirmations at any time by logging on to your client portal the day after a trade is executed. Historical trade confirmations will also be available through this same electronic portal. There is no additional cost to you if you elect to check or not to check this box.

**C. Communication Preferences**

- Check this box to opt out from communications from corporations whose securities you hold in your account for additional corporate communications (e.g., proxies).

**Step 7. Duplicate Statements for an Interested Party (Optional)**

If you would like to provide the following duplicate documents to an interested party, please complete the information below:

Options (both may be selected):  Paper Statements  Tax Forms

_____ <b>Name</b>	_____ <b>Company Name (if any)</b>		
_____ <b>Mailing Address</b>	_____ <b>City</b>	_____ <b>State</b>	_____ <b>Zip Code</b>
_____ <b>Country</b>	_____ <b>Province</b>	_____ <b>Foreign Postal Code</b>	

## Step 8. Limited Power of Attorney

### LIMITED TO PURCHASE AND SALE OF SECURITIES.

By signing and returning this application, you hereby appoint the Advisor Firm or individual named in Step 1 as your Advisor and attorney-in-fact ("Advisor"), to execute, buy, sell (including short sales), and trade in stocks, bonds, and any other securities and/or contracts relating to the same in accordance with this application, the RIA Customer Agreement, and any other agreement applicable to this account held in your name, or number on our books, without notice to you. Your Advisor is authorized to affect such transactions in your account via any available medium, electronic access or otherwise, including but not limited to electronic access via personal computer or phone. You hereby acknowledge that investment related materials, including annual reports and initial purchase prospectus materials, will be delivered to your Advisor unless your Advisor requests that they be delivered to the account holder(s).

You hereby agree to indemnify and hold harmless Axos Clearing LLC ("Axos Clearing"), its affiliates and their directors, officers, employees, and advisors, including all of those associated with or under its Axos Advisor Services name, from and against all claims, actions, costs, and liabilities, including attorneys' fees, arising out of or related to reliance on this authorization and to pay promptly on demand any and all losses arising therefrom or debit balance due thereon. In all such purchases, sales, or trades, Axos Clearing is authorized to follow the instructions of your Advisor in every respect concerning your account with Axos Clearing; and your Advisor is authorized to act for you and on your behalf in the same manner and with the same force and effect as you might or could do with respect to such purchases, sales, or trades, as well as with respect to all other things necessary or incidental to the furtherance or conduct of such purchases, sales, or trades, including without limitation the delivery of securities or monies from the account in the account holder(s) name and the provision of securities cost basis method selection and/or information for purposes of cost basis or tax reporting.

You hereby ratify and confirm any and all transactions with Axos Clearing heretofore or hereafter made by your Advisor for your account. This authorization and indemnity is in addition to, and in no way limits or restricts, any rights which Axos Clearing may have under any other agreement or agreements between you and Axos Clearing.

If this is a fiduciary account, account holder(s) affirm(s) that this grant of limited trading authority has been conferred consistent with any fiduciary duties or powers of account holder(s).

This authorization is a continuing one and shall remain in full force and effect until (i) Axos Clearing is notified by a written notice delivered to Axos Clearing of your death or incapacity or (ii) you change or revoke this authorization by a written notice to Axos Clearing. Axos Clearing shall have no duty of inquiry. Until Axos Clearing receives such written revocation, Axos Clearing is entitled to act in reliance on this authorization and indemnity. Any revocation of this authorization shall have no effect on any liability which results from transactions initiated before Axos Clearing receives written notice of revocation. This authorization and indemnity shall inure to the benefit of Axos Clearing and of any successor firm or firms, irrespective of any change or changes at any time in the personnel thereof for any causes whatsoever, and of the assigns of Axos Clearing or any successor firms.

You have carefully read this power of attorney and indemnity and understand that it authorizes your Advisor named herein to exercise rights and powers over your accounts as if you had exercised them yourself and that your Advisor's actions and instructions with respect to your accounts are fully binding on you. You agree to have your Advisor receive duplicate statements and trade confirmations.

## Step 9. Authorization to Pay Fees to Advisor

By signing and returning this application, you hereby authorize Axos Clearing to calculate, debit your account and pay the Advisor Firm identified in Step 1, the Advisor's management fees as negotiated by you through your agreement with your Advisor. You also authorize Axos Clearing to liquidate shares of any money market mutual fund or bank deposit sweep you may hold in your account to the extent necessary to pay such fees. Axos Clearing shall rely on Advisor's instructions and have no responsibility for the verification of such instructions or fees.

You will indemnify and hold Axos Clearing and its affiliates, directors, officers, employees, successors, and assigns harmless from all losses, claims, damages, liabilities, and costs, including attorneys' fees, which Axos Clearing may incur by relying upon any representation from your designated Advisor or upon you making this authorization. This authorization will remain in full force and effect until revoked by you by a written notice addressed and delivered to Axos Clearing.

## Step 10. W-9 Certification

### Under penalties of perjury, I certify that:

1. The number shown on this form is my correct Social Security Number or Taxpayer Identification Number (or I am awaiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a US citizen or other US person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

### Definition of a US Person

For federal tax purposes, you are considered a US person if you are:

- An individual who is a US citizen or US resident alien,
- A partnership, corporation, company, or association created or organized in the United State or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in IRS Regulations section 301.7701-7)

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# HEALTH SAVINGS CUSTODIAL ACCOUNT AGREEMENT

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Form 5305-C under section 223(a) of the Internal Revenue Code.

FORM (Rev. October 2016)

The account owner named on the application is establishing this health savings account (HSA) exclusively for the purpose of paying or reimbursing qualified medical expenses of the account owner, his or her spouse, and dependents. The account owner represents that, unless this account is used solely to make rollover contributions, he or she is eligible to contribute to this HSA; specifically, that he or she: (1) is covered under a high deductible health plan (HDHP); (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage); (3) is not enrolled in Medicare; and (4) cannot be claimed as a dependent on another person's tax return.

The account owner has assigned this custodial account the sum indicated on the application.

The account owner and the custodian make the following agreement:

## ARTICLE I

1. The custodian will accept additional cash contributions for the tax year made by the account owner or on behalf of the account owner (by an employer, family member, or any other person). No contributions will be accepted by the custodian for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.
2. Contributions for any tax year may be made at any time before the deadline for filing the account owner's federal income tax return for that year (without extensions).
3. Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.
4. Qualified HSA distributions from a health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.
5. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

## ARTICLE II

1. For calendar year 2011, the maximum annual contribution limit for an account owner with single coverage is \$3,050. This amount increases to \$3,100 in 2012. For calendar year 2011, the maximum annual contribution limit for an account owner with family coverage is \$6,150. This amount increases to \$6,250 in 2012. These limits are subject to cost-of-living adjustments after 2012.
2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.
3. For calendar year 2009 and later years, an additional \$1,000 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare.
4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

## ARTICLE III

It is the responsibility of the account owner to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, the account owner shall notify the custodian that there exist excess contributions to the HSA. It is the

responsibility of the account owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

## ARTICLE IV

The account owner's interest in the balance in this custodial account is nonforfeitable.

## ARTICLE V

1. No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).
2. The assets of this account may not be commingled with other property except in a common trust fund or common investment fund.
3. Neither the account owner nor the custodian will engage in any prohibited transaction with respect to this account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

## ARTICLE VI

1. Distributions of funds from this HSA may be made upon the direction of the account owner.
2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the account owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the account owner's gross income and are subject to an additional 20 percent tax on that amount. The additional 20 percent tax does not apply if the distribution is made after the account owner's death, disability, or reaching age 65.
3. The custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the account owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

## ARTICLE VII

If the account owner dies before the entire interest in the account is distributed, the entire account will be disposed of as follows:

1. If the beneficiary is the account owner's spouse, the HSA will become the spouse's HSA as of the date of death.
2. If the beneficiary is not the account owner's spouse, the HSA will cease to be an HSA as of the date of death. If the beneficiary is the account owner's estate, the fair market value of the account as of the date of death is taxable on the account owner's final return. For other beneficiaries, the fair market value of the account is taxable to that person in the tax year that includes such date.

## ARTICLE VIII

1. The account owner agrees to provide the custodian with information necessary for the custodian to prepare any report or return required by the IRS.
2. The custodian agrees to prepare and submit any report or return as prescribed by the IRS.

## ARTICLE IX

Notwithstanding any other article that may be added or incorporated in this agreement, the provisions of Articles I through VIII and this sentence are controlling. Any additional article in this agreement that is inconsistent with section 223 or IRS published guidance will be void.

## ARTICLE X

This agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the application.

## ARTICLE XI

**11.01 Definitions** – In this part of this agreement (Article XI), the words “you” and “your” mean the account owner. The words “we,” “us,” and “our” mean the custodian. The word “Code” means the Internal Revenue Code, and “regulations” means the Treasury regulations.

**11.02 Notices and Change of Address** – Any required notice regarding this HSA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.

**11.03 Representations and Responsibilities** – You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your HSA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement. We have the right to require you to provide, on a form provided by or acceptable to us, proof or certification that you are eligible to contribute to this HSA, including, but not limited to, proof or certification that you are covered by an HDHP. In no event will we be responsible to determine if contributions made by your employer to your HSA meet the requirements for comparable contributions, the rules of which are set forth in the Code and IRS published guidance.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, investment manager), but we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. In addition, we may allow you to designate an authorized signer to perform various limited transactions on your HSA as specified in a form provided by or acceptable to us. We may rely upon this designation until such time, if any, that we receive a written revocation of the authorization. We will not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent and/or authorized signer, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent and/or authorized signer.

You will have 60 days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents,

statements, or other information will be deemed correct and accurate, and we will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this agreement, we are acting as your agent. You acknowledge and agree that nothing in this agreement will be construed as conferring fiduciary status upon us. We will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this agreement, or as required under the Code and the regulations promulgated thereunder with respect to HSAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney’s fees arising from or in connection with this agreement.

To the extent written instructions or notices are required under this agreement, we may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, electronic communication.

**11.04 Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your HSA. We may release nonpublic personal information regarding your HSA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements.

**11.05 Service Fees** – We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your HSA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your HSA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your HSA at our discretion. We reserve the right to charge any additional fee after giving you 30 days’ notice. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this HSA.

Any brokerage commissions attributable to the assets in your HSA will be charged to your HSA. You cannot reimburse your HSA for those commissions.

**11.06 Investment of Amounts in the HSA** – You have exclusive responsibility for and control over the investment of the assets of your HSA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this agreement. We will have no discretion to direct any investment in your HSA. We assume no responsibility for rendering investment advice with respect to your HSA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your HSA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your HSA unless you provide timely written directions acceptable to us.

You will select the investment for your HSA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for HSAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts.)

**11.07 Beneficiaries** – If you die before you receive all of the amounts in your HSA, payments from your HSA will be made to your beneficiaries. We have no obligation to pay to your beneficiaries until such time we are notified of your death by receiving a valid death certificate.

You may designate one or more persons or entities as beneficiary of your HSA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each beneficiary designation you file with us will cancel all previous designations. The consent of your beneficiaries will not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary survives you, the contingent beneficiaries will acquire the designated share of your HSA. If you do not designate a beneficiary or if all of your primary and contingent beneficiaries predecease you, your estate will be the beneficiary.

If your surviving spouse acquires the interest in this HSA by reason of being the beneficiary at your death, this HSA (or in accordance with rules established by the IRS, the relevant portion thereof) will be treated as if the surviving spouse is the account owner.

If the beneficiary is not your spouse, the HSA (or in accordance with rules established by the IRS, the relevant portion thereof) will cease to be an HSA as of the date of your death.

Upon learning of your death, we may, in our complete and sole discretion, make a final distribution to a beneficiary (other than your spouse) of his or her interest in the HSA. This distribution may be made without the beneficiary's consent and may be placed in an interest-bearing (or similar) account that we choose.

**11.08 Termination of Agreement, Resignation, or Removal of Custodian** – Either party may terminate this agreement at any time by giving written notice to the other. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your HSA to another financial organization. If you do not complete a transfer of your HSA within 30 days from the date we send the notice to you, we have the right to transfer your HSA assets to a successor HSA trustee or custodian that we choose in our sole discretion, or we may pay your HSA to you in a single sum. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

If this agreement is terminated, we may charge to your HSA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to, one or more of the following.

- Any fees, expenses, or taxes chargeable against your HSA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your HSA

If we are a nonbank custodian required to comply with Regulations section 1.408-2(e) and we fail to do so or we are not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require us to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your HSA to you in cash or property if the balance of your HSA drops below the minimum balance required under the applicable investment or policy established.

**11.09 Successor Custodian** – If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your HSA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your HSA, but only if it is the type of organization authorized to serve as an HSA trustee or custodian.

**11.10 Amendments** – We have the right to amend this agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment, unless within 30 days from the date we send the amendment, you notify us in writing that you do not consent.

**11.11 Withdrawals or Transfers** – All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

We may allow the return of mistaken distributions if there is clear and convincing evidence that the amounts distributed from the HSA were because of a mistake of fact due to reasonable cause. In determining whether this standard has been met, we may rely on your representation that the distribution was, in fact, a mistake.

In no event will we restrict HSA distributions to pay or reimburse only your qualified medical expenses. We may, however, on a case-by-case basis or as a matter of policy, place reasonable restrictions on both the frequency and the minimum amount of distributions from the HSA.

We may establish a policy whereby having a zero balance in your HSA may not cause the HSA to be closed. At our discretion, future contributions may be made to the HSA until you instruct us to close the HSA.

**11.12 Transfers from Other Plans** – We can receive amounts transferred to this HSA from the trustee or custodian of another HSA. In addition, we can accept rollovers of an eligible amount from an Archer MSA. We reserve the right not to accept any transfer or rollover.

**11.13 Liquidation of Assets** – We have the right to liquidate assets in your HSA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your HSA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree to not hold us liable for any adverse consequences that result from our decision.

**11.14 Restrictions on the Fund** – Neither you nor any beneficiary may sell, transfer, or pledge any interest in your HSA in any manner whatsoever, except as provided by law or this agreement.

The assets in your HSA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this agreement.

11.15 **What Law Applies** – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of our domicile will govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this agreement will be construed as a waiver of such provisions or your right or our right thereafter to enforce each and every such provision.

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## GENERAL INSTRUCTIONS

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*Section references are to the Internal Revenue Code.*

### WHAT'S NEW

**Additional Tax Increased** – For tax years beginning after December 31, 2010, the additional tax on distributions not used for qualified medical expenses increases from 10 percent to 20 percent.

### PURPOSE OF FORM

Form 5305-C is a model custodial account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the custodian. The form can be completed at any time during the tax year. This account must be created in the United States for the exclusive benefit of the account owner. **Do not** file Form 5305-C with the IRS. Instead, keep it with your records. For more information on HSAs, see Notice 2004-2, 2004-2 I.R.B. 269, Notice 2004-50, 2004-33 I.R.B. 196, Pub. 969, *Health Savings Accounts and Other Tax-Favored Health Plans*, and other IRS published guidance.

### DEFINITIONS

**Identifying Number** – The account owner's Social Security number will serve as the identification number of this HSA. For married persons, each spouse who is eligible to open an HSA and wants to contribute to an HSA must establish his or her own account. An employer identification number (EIN) is required for an HSA for which a return is filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

**High Deductible Health Plan (HDHP)** – For calendar year 2011, an HDHP for self-only coverage has a minimum annual deductible of \$1,200 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, but not premiums) of \$5,950. In 2012, the \$1,200 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$6,050. For calendar year 2011, an HDHP for family coverage has a minimum annual deductible of \$2,400 and an annual out-of-pocket maximum of \$11,900. In 2012, the \$2,400 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$12,100. These limits are subject to cost-of-living adjustments after 2012.

**Self-Only Coverage and Family Coverage Under an HDHP** – Family coverage means coverage that is not self-only coverage.

**Qualified Medical Expenses** – Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but only to the extent that such amounts are not compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses.

**Custodian** – A custodian of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

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## SPECIFIC INSTRUCTIONS

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**Article XI** – Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and custodian. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.

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# DISCLOSURE STATEMENT

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## REQUIREMENTS OF AN HSA

A. **Cash Contributions** – Your contribution must be in cash, unless it is a rollover contribution.

B. **Maximum Contribution** – The total amount that may be contributed to your HSA for any taxable year is the sum of the limits determined separately for each month. The determination for each month is based on whether, as of the first day of such month, you are eligible to contribute and whether you have self-only or family coverage under a high deductible health plan (HDHP). If you have self-only coverage, the maximum monthly contribution is 1/12 of \$3,450 (for 2018) or \$3,500 (for 2019). If you have family coverage, the maximum monthly contribution is 1/12 of \$6,900 (for 2018) or \$7,000 (for 2019). These limits are subject to cost-of-living increases. In addition, if you have attained age 55 before the close of the taxable year, the annual contribution limit is increased by an additional amount not to exceed \$1,000 each year. The annual limit is decreased by aggregate contributions made to an Archer MSA and by any qualified HSA funding distributions from an IRA deposited into the HSA.

If you become HSA-eligible after the beginning of the year, you may make a full year's contribution up to the statutory contribution limit as long as you maintain eligibility during the testing period. The testing period begins the last month of the initial eligibility year and ends at the end of the 12-month period following that month. If you do not remain eligible during the testing period, you must include in your gross income the contributions made for the months that you were not otherwise eligible and pay a 10 percent penalty tax on the amount.

C. **Contribution Eligibility** – You are an eligible individual for any month if you (1) are covered under an HDHP on the first day of such month; (2) are not also covered by any other health plan that is not an HDHP and that provides coverage for any benefit covered under the HDHP (with limited exceptions); (3) are not enrolled in Medicare; and (4) are not eligible to be claimed as a dependent on another person's tax return.

In general, an HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses. Specifically, an HDHP has an annual deductible of at least \$1,350 (for 2018 and 2019) for self-only coverage and at least \$2,700 (for 2018 and 2019) for family coverage. In addition, the sum of the annual out-of-pocket expenses required to be paid (deductibles, copayments, and amounts other than premiums) cannot exceed \$6,650 (for 2018) or \$6,750 (for 2019) for self-only coverage and \$13,300 (for 2018) or \$13,500 (for 2019) for family coverage. All of these dollar amounts may be adjusted annually for cost-of-living increases.

D. **Nonforfeitable** – Your interest in your HSA is nonforfeitable.

E. **Eligible Custodians** – The custodian of your HSA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

F. **Commingling Assets** – The assets of your HSA cannot be commingled with other property except in a common custodial fund or common investment fund.

G. **Life Insurance** – No portion of your HSA may be invested in life insurance contracts.

## INCOME TAX CONSEQUENCES OF ESTABLISHING AN HSA

A. **HSA Deductibility** – If you are eligible to contribute to your HSA for any month during the taxable year, amounts contributed to your HSA are deductible in determining adjusted gross income up to the maximum contribution limits discussed above. The deduction is allowed

regardless of whether you itemize deductions. Employer contributions to your HSA are excludable from your gross income and you cannot deduct such amounts on your tax return as HSA contributions.

B. **Contribution Deadline** – The deadline for making an HSA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your HSA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

C. **Excess Contributions** – An excess contribution is any amount that is contributed to your HSA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

1. **Removal Before Your Tax Filing Deadline.** An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.

2. **Removal After Your Tax Filing Deadline.** If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the HSA.

3. **Carry Forward to a Subsequent Year.** If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

You must file IRS Form 5329 along with your income tax return to report and remit any additional penalty taxes to the IRS.

D. **Tax-Deferred Earnings** – The investment earnings of your HSA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

E. **Taxation of Distributions** – Distributions taken from your HSA to pay for qualified medical expenses or to reimburse you for qualified medical expenses that you already paid are excluded from your gross income. Qualified medical expenses are amounts you pay for medical care (as defined in Internal Revenue Code Section (IRC Sec.) 213(d)) for yourself, your spouse, and your dependents (as defined in IRC Sec. 152), but only to the extent that such amounts are incurred after the HSA was established and are not covered by insurance or otherwise. For a general description of qualified medical expenses, refer to IRS Publication 502, *Medical and Dental Expenses*, available at [www.irs.gov](http://www.irs.gov). Distributions made for purposes other than qualified medical expenses are included in your gross income and are subject to an additional 20 percent penalty tax. This additional 20 percent penalty tax will apply unless a distribution is made on account of (1) attainment of age 65, (2) death, or (3) disability.

Withdrawals from your HSA are not subject to federal income tax withholding.

F. **Rollovers** – Your HSA may be rolled over to another HSA of yours or may receive rollover contributions, provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property between any of your HSAs. The general rollover rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover, please see a competent tax advisor.

1. **HSA or Archer MSA to HSA Rollovers.** Assets distributed from your HSA may be rolled over to an HSA of yours if the requirements of IRC Sec. 223(f)(5) are met. A proper HSA to HSA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may make only one rollover contribution to an HSA during a 12-month period.

Assets distributed from your Archer MSA also may be rolled over to your HSA. A proper Archer MSA to HSA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received.

2. **Written Election.** At the time you make a rollover to an HSA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

G. **Qualified HSA Funding Distributions** – If you are eligible to contribute to an HSA, you may be eligible to take a one-time, tax-free HSA funding distribution from your IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of HDHP coverage (i.e., self-only or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. If you do not remain HSA-eligible (for reasons other than death or disability) for 12 months following the transaction, the amount of the transaction is subject to taxation and a 10 percent penalty tax. For further detailed information, see IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.

H. **Beneficiary Issues** – If you die and your beneficiary is your spouse, your HSA (or the relevant portion thereof) will become your spouse's HSA as of the date of your death.

If your beneficiary is not your spouse, the HSA (or the relevant portion thereof) will cease to be an HSA as of the date of your death.

If the beneficiary is your estate, the fair market value of the account as of your date of death is taxable on your final tax return. For other beneficiaries, the fair market value of the account is taxable to that beneficiary in the tax year that includes the date of death.

## LIMITATIONS AND RESTRICTIONS

A. **Deduction of Rollovers and Transfers** – A deduction is not allowed for rollover or transfer contributions.

B. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your HSA, as described in IRC Sec. 4975, your HSA will lose its tax-exempt status and you must include the value of your account in your gross income for that taxable year. Overdrawing your HSA is considered a prohibited transaction.

C. **Pledging** – If you pledge any portion of your HSA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

## OTHER

A. **IRS Plan Approval** – The agreement used to establish this HSA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

B. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open an HSA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.