HSA funding

Overview

Creating, importing, and tracking HSA-funded contributions to participant HSAs is easy with the WealthCare Administration system. You can quickly configure HSA employer plans to fund HSA accounts directly from an employer or administrator bank account. Efficiencies incorporated into the contribution manager tool, as well as expedited timing of processing funded contributions, provide a simplified and streamlined process.

This guide is designed to help you configure WealthCare HSAs for HSA funding, and use the contribution manager tool in the WealthCare Administration system to add, review, approve, and research contributions. Additionally, this guide ensures you understand the funding process flow and timing of funded deposits, so you can effectively communicate these concepts your employer groups and participants.

HSA funding setup

Below are the steps required to configure an employer group for automated HSA funding. Prior to following these instructions, the employer HSA plan should already be set up.

Step 1: Employer funding account

The first step is to set up an employer funding account; the physical bank account that is used to draw the funds that are transferred into participant HSAs.

The funding bank account configured in this step can be either an account owned by the administrator or the employer group. The best practice is to set up the funding account as an employer bank account, so funds are withdrawn via ACH debit directly from the employer account when contributions are posted to the system – thus removing the administrator from any possibility of holding HSA funds.

> **Note:** If you wish to allow employers to enter and maintain their own employer funding account via the employer portal, please review the employer DIY banking guide for administrators in Online Resources (*WealthCare HSA > WCHSA for administrators > funding*).

To set up the employer funding bank account, perform the following steps:

1. Navigate to the *employer funding bank accounts* page (*admin main menu > banking > employer funding bank accts*). Any existing accounts that had been set up previously are displayed.

Employer Funding Bank Accounts

Admin: HJ Test Environment

Account ▲	Bank	Account Type
Company 3 ER Fund		Checking
Company Three Invoice Acct	Elm Street Bank	Checking
DNU Client Sends Checks to Fund Plan		Checking
HSA Funding		Checking
		4 funding accounts found.

New

2. Click *new*, and add pertinent details for the account. An account name (to list in WealthCare Administration), bank account number, and routing number are required. The other items are optional. **Note:** When *employer DIY banking* is used, this step is carried out by an employer user.

Fill in Account Details

Authorized by (Account Signer):	Anna Thomas
Title:	President
Authorizing Company:	Employer Group A
Account Name (to list in system)*:	HJ HSA Funding
Financial Institution Name:	Main Street Bank

Financial Institution Address:

Address 1:	123 Main St.
Address 2:	
City:	Boston	State: Massachusetts	Zip Code: 99999
Country:	United States
Mailing Address:		Customer Service Phone Number: 999-999-9999
URL:	

Bank Account Number*:	1343257
Routing / Transit Number*:	000000000
Re-enter Routing / Transit Number*:	000000000
Secondary Routing / Transit Number:	
Re-enter Secondary Routing / Transit Number:	
Account Type (Checking/Savings):	◉ Checking ○ Savings

Save   Cancel

*Field is required.

3. When complete, click 'save'.

Step 2: Configure employer notional account for HSA funding

To finalize setup, a separate employer notional account must be configured for the employer group. This step links the HSA plan type to the funded account created in the previous step.

1. Navigate to the *employer notional accounts* page (*admin main menu > banking > employer notional accounts*), and click 'new'.

2. In the *employer notional account details* section:

   a. Give the employer account a name (such as '{employer group's name} HSA funding acct').

   b. For *bank account*, any bank account can be selected. However, this bank account is only required for the configuration of the notional account and is not used during processing of funded deposits.

   c. For *what type of claims should affect this account?* choose 'manual'.

   d. For *plan type*, be sure to select the plan type that corresponds to the HSA.

Employer Notional Account Details

? Notional Account Name*:	HSA Funding Acct
Employer Account status:	New ▾
? Bank Account*:	CompanyThreeBank ▾
? Direct Deposit Bank Account:	--Choose One-- ▾
? Do you want to track a notional account balance for accounting?	○ Yes ● No
Should manual claims for this notional account use a different check number than the one specified on the physical bank account?	○ Yes ● No

Funding & Settlement Segmentation ?

? What type of claims should affect this account*?	Manual ▾
? Plan Type:	WealthCare HSA - HSX ▾

3. In settlement notifications, be sure to add the email address of the employer funding account's owner, so they can receive notifications of upcoming debits to their account.

4. In the *funding options* section:

    a. Set *enable funding options* to 'yes'.

    b. For *funding method*, the 'HSA funding' option should be selected.

    c. Add the desired beginning date for HSA funding.

    d. Select an employer notification template (optional, see next section for more information).

    e. In the dropdown menu, select the funding account that was created in the first step.

5. Once complete, click 'save'.

6. After saving, the *employer notional account* page, a bubble icon displays next to the account name. Hover your mouse over the info icon to see the funding account associated with the notional account. More importantly, this icon

indicates that the employer notional account is now properly configured for HSA funding.

Automatic employer notifications of HSA funding

A communication template can optionally be configured and assigned to the employer notional account to alert your employer groups when their bank account will be affected by HSA -funded deposits to their employees' HSAs.

Emails generated from the *employer HSA funding notification* communication template give employers greater insight into when and how much will be withdrawn from their funding account for deposit into their employees' HSAs. By enabling this communication, you can craft a dynamic email communication that automatically deploys to employer groups when HSA-funded ACH transactions are initiated.

Step 1. Configure the communication template.

    a. Navigate to the communication templates page, scroll to the employer templates, and click 'new'.

    b. Select the *employer HSA funding notification* template type, and give it a unique template name.

    c. Enter a sender email, subject, choose the communication format, and assign employer groups. If all or most employer groups will be using this template, you can make it the default (find more detail on default templates below).

d. Click the body text tab and enter the main content for the communication.

e. Click the BBC tab and enter any desired blind copy email addresses. This is optional, but Alegeus always recommends that you add an internal email address to receive a copy of generated emails for your records.

f. Click the image tab and upload a logo if you wish (this tab appears if 'HTML' is chosen as the communications format).

g. Click 'save & exit' once complete.

Step 2: Ensure employer's settlement email address is populated.

a. Navigate to the employer's notional account page (*main menu > employer > account activity > notional accounts*). Click to open the notional account that has been configured for HSA funding.

b. Locate the settlement notification options section. Ensure that the employer's email address is populated. This is the email address that will receive HSA funding notifications.

Step 3: Assign the employer notification template to the notional account.

    a. Remaining on the employer's notional account page, locate the *funding options* section.

    b. Select the employer notification template created in step 1. Any communication templates that have been assigned to the employer group will appear in the dropdown menu. You can also select 'none', if you do not want any communications to deploy.
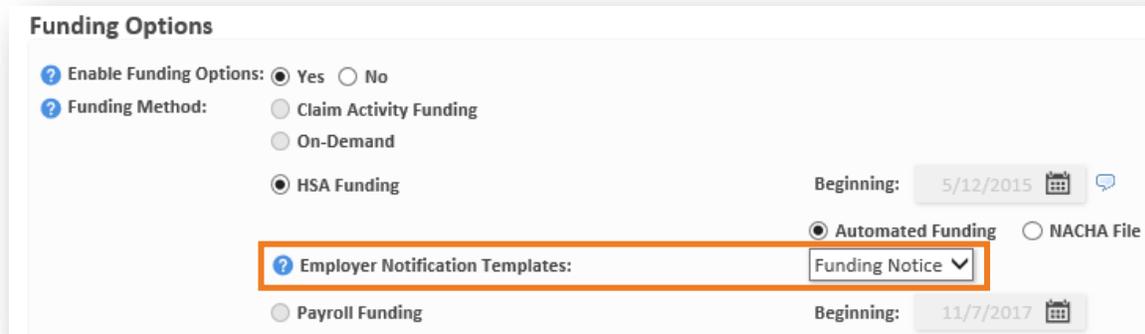
ASSIGNING A DEFAULT TEMPLATE

On the general tab of the *employer HSA funding notification* communication template, you can choose to assign one template as the default for all employer groups, as shown below.
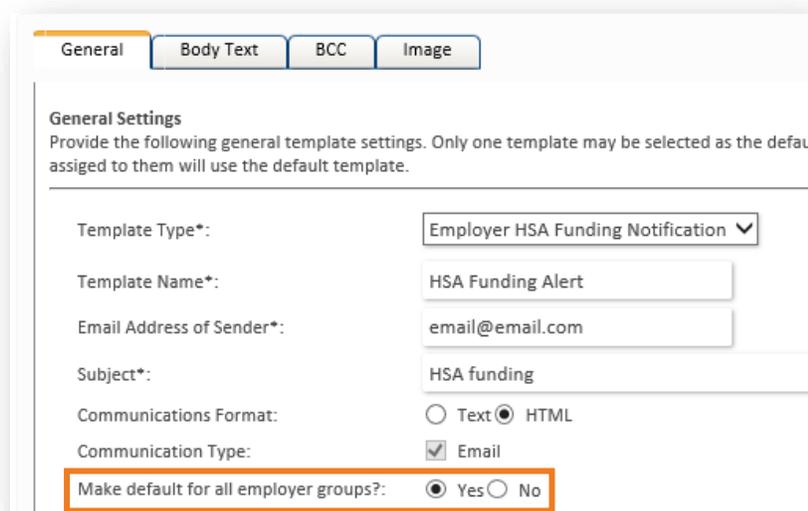
A template that is designated as the default will automatically be assigned to any new employer notional account configured for HSA funding. Although the default template is automatically assigned, it can be changed at any time to a different template on the employer's notional account page.

Note: Even if a notional account is automatically configured with the default communication template, the settlement email address (step 2, above) must be populated for emails to generate.

EMAIL FORMAT
Emails generated from the employer notification of HSA funding template will follow the format of other WealthCare Administration system-generated communications. A dynamic header displays the following information:

- Employer name
- Bank account name
- Withdrawal amount
- Withdrawal date

Body text from the communication template appears below the header.

HSA-funded deposits

Contribution options
After an employer HSA plan is set up for HSA funding, there are several different ways to make funded deposits. Administrator or employer users can make contributions through several methods:

1. A one-time payroll deposit into a participant's HSA using the *submit deposit* page.

2. Link a payroll calendar to the employer HSA plan and define per-pay-period contribution amounts for each participant account (*edit benefit account* page). The WealthCare Administration system automatically initiates funded deposits based on the calendar assigned to the plan.

3. Import an *employee deposit import* (IH) record through EDI or use the SubmitManualDeposit web method.

However, one of the most robust and convenient tools for both making funded contributions, and for tracking those made through other means, is through *contribution manager*.

Making contributions in *contribution manager*

Contributions can be made within the user interface from the *create contributions* page or via a payroll file from the *contributions import & results* page.

CREATE CONTRIBUTIONS PAGE

An administrator or employer user can enter contributions for participants quickly and easily on this intuitively designed single page.

Follow these instructions to make funded HSA payroll deposits to employee HSA accounts.

1. Select the employer and employer plan to be funded at the top of the page,

2. Select a payroll date:

   a. The payroll date is the date you want contributions to post to the HSA account. **Note:** it can take up to 2 days to post a deposit to an HSA account, so be sure to load HSA payroll deposits 2 days or more prior to the contribution date.

3. Select method for auto-populating contributions and accounts to receive contributions. The 'load contribution' button populates a contribution table, where individual contribution amounts can be reviewed, edited, and finally saved.

After they are saved, contributions move into a 'pending' status. They can continue to be edited until they are processed and posted. If the payroll date for a funded product partner HSA contribution is 2 days or less from today's date, the contribution is eligible to utilize the 'expedite processing of pending contributions' button. This bypasses the normal funding timeframe and immediately pushes applicable contributions into a processing status. If this option is not employed, contributions follow the regular posting timeframe.

Note: Contribution manager supports selecting more than one plan when entering or viewing contributions. However, if more than one plan is selected, the 'expedite processing' button is automatically disabled and cannot be utilized, even if the selected plans include contributions which would otherwise be eligible to be expedited. For this reason, it may make sense to fund HSA contributions separately from other plans.

For more information on the posting timeframe of funded contributions, see the section labeled *timing of HSA-funded contributions* below.

CONTRIBUTION IMPORT & RESULTS PAGE

Some administrator or employer users may prefer working with payroll files offline, as opposed to loading contributions within the WCA user interface. This can be done on the *contribution import & results* page.

From this page, users can download a payroll file in .CSV format, manipulate the contribution amounts as needed in excel, and then load the completed file back into WCA for processing. A successfully-loaded file displays in the *view results* section, with a table indicating success or failure of each individual contribution.

Note: Leading zeroes are dropped from employee IDs when the .CSV file is populated in excel. Any missing zeroes must be added back onto the file before importing it into the user interface. If missing zeroes are not added back, the system is unable to properly match the contribution to the participant.

Successful contributions are placed in a pending status, and can be viewed and edited in the *pending contributions* section of the main *contribution manager* page, until they have been processed.

MAIN *CONTRIBUTION MANAGER* PAGE

On this page, view employee elections, pending contributions, future auto deposits, posted payroll deposits, employer-entered pending contributions requiring administrator adjudication, and denied payroll deposits. Each section is expandable and lists information about all applicable contributions made throughout WCA falling within the parameters selected at the top of the page (employer group, plan, payroll dates, etc).

For more in-depth information on how contribution manager works, please see the contribution manager guide in Online Resources.

Automatic denial of HSA deposits linked to inactive funding accounts

Deposit processing logic automatically denies any HSA deposit not linked to an active funding account. This logic helps administrators and employer users understand when there might be an issue with configuration and linking of a funding account. This is especially helpful for employer users who have been provided the ability to manage their own funding accounts and deposit submissions. They may not fully understand the importance of ensuring a funding account has been fully validated and linked before entering deposits.

The following must be satisfied for deposits to post successfully:

1. One of the following must be true:

    a. An employer HSA plan is linked to an employer notional account with HSA payroll funding configured.

    b. HSA real time funding is enabled.

2. Funding bank account must be successfully linked and active.

If the above criteria are met, the deposit is placed into a pending status (or pending approval if administrator approval is required) and continues with the normal deposit process flow. If the criteria are not met, the deposit is rejected, the deposit is not placed into a pending status, and account balance change does not take place. These failed deposits appear in WCA but are automatically hidden from accountholder view.

Descriptive denial status and error messaging provides instant feedback to administrator and employer users that funding configuration is incomplete and requires their attention.

- At the top of the *create contributions* and *new deposit* pages (*main menu > employer > contribution manager*), the following red error appears: Funding setup for this HSA plan is not complete. Payroll deposits loaded will not post to the HSA accounts. Please complete setup or contact your administrator.

- In the 'denied payroll deposits' section of the *contribution manager* page and the 'view results' section of the *contribution import & results page*, deposits appear with a failure reason of 'incomplete funding configuration'.

- The *transaction history* also reflects the incomplete funding configuration failure reason.

Transaction Date ▼	Service Date	Participant	Transaction Type	Transaction Status / HSA Code	Plan	
5/1/2019 12:44:34 PM	Start: 5/1/2019 End: 5/1/2019 Display: 5/1/2019	Stanton, Carl	Payroll Deposit - Employee	Denied - Incomplete Funding Configuration	ID: WCQ Start: 1/1/2015 End: 12/31/2099	Nan Des MC
5/1/2019 12:43:23 PM	Start: 5/1/2019 End: 5/1/2019 Display: 5/1/2019	Stanton, Carl	Payroll Deposit - Employee	Denied - Incomplete Funding Configuration	ID: WCQ Start: 1/1/2015 End: 12/31/2099	Nan Des MC

- Deposits submitted via the *employee deposit import* (IH) EDI record receive notification of the error (code 1000220) via the detail response code in the response (RH) record.

- Deposits submitted via the DepositPayroll web service return the same error (code 1000220): Funding setup for this HSA plan is not complete. Payroll deposits loaded will not post to the HSA accounts. Please complete setup or contact your administrator.

HSA-only user access

In some cases, employers are provided access to the WCA Employer Portal solely for posting WealthCare HSA contributions. More targeted access levels for users can help prevent potential errors made by accidentally posting contributions to the wrong account types.

For users who already have the ability to upload payroll files, an additional profile option allows you to restrict *contribution manager* access to HSA plans only. The user only sees HSA contribution data in *contribution manager* and can only load new contributions (via the *create contributions* page or via imported file) if they are for WealthCare HSA accounts.

In order to enable this option, the 'payroll file upload' option must also be enabled, in addition to the 'restrict to HSA accounts only' option.

Users assigned to a profile with this option enabled have the following restrictions placed on their WCA access:

- Visibility of contribution activity on the *contribution manager* page is limited to HSA-only accounts.

- On the *create contributions* page and *contribution import & results* page, only HSAs populate in the 'benefit plan' dropdown menu. Users can only create contributions for these HSA accounts.

- On the *contribution import & results* page, if the user attempts to load contributions for non-HSA accounts, the following error is returned: Your user account does not have permission to submit deposits to non-HSA benefit plans. Please have your administrator verify your user settings and profile access.

- Non-HSA deposits are not accepted via *employee deposit import* (IH) records. *Employee deposit results* (RH) records exclude non-HSA deposits.

- All versions of the following web services are restricted to HSA deposits only:
  - DepositPayroll
  - DepositPrefunded
  - OtherDeposit

Timing of HSA-funded contributions

When a funded contribution is initiated, both the current date and the deposit's payroll date play a role in the timing of when the deposit posts to the participant's WealthCare HSA bank account.

WCA's nightly auto-deposit agent looks for any WealthCare HSA-funded pending deposits that are two days or less from their payroll date. Any deposits meeting that

criteria are pushed from pending into a processing status when the agent runs. From there, contributions are posted based on a one-day bank processing delay.

Please note for the example below, some banks do not process on weekends and/or certain holidays. If the contribution is submitted to the bank on a non-processing day, processing of the contribution is held until the next available processing day. This may increase the timeline indicated in the example provided.

Future-dated contributions

If a contribution is entered Wednesday for a Friday payroll date, the contribution is placed immediately into a *pending* status. If not pushed to processing by the administrator using the *process contributions* button, the agent picks up the deposit the next time it runs, early Thursday morning. Thursday night at 4:00 PM CT, the deposit posts and is available for spending.

Posting Timeline		
June 3	June 4	June 5
Day 0	Day 1	Day 2
Payroll deposit is entered with a June 5 payroll date. Status = Pending Payroll deposit is pushed to processing. Status = Processing	At 4:00 PM CT, payroll deposit is posted and available for spending. Status = Posted	Payroll date. Deposit has already been processed and posted the night before.

Unsolicited ACH same-day processing

The Electronic Payments Association, NACHA, requires Receiving Depository Financial Institutions (RDFIs) to make funds available to their depositors for same day ACH credits, such as payroll direct deposits, by 5 pm their local time. This requirement is the third and final phase of NACHA's mandatory Same Day ACH rollout requirements.

To support these phase three roll-out requirements:

- Unsolicited ACH files must be received by 3:30 pm CT, and the Alegeus processing time is 3:45 pm CT.

- The cutoff time to process unsolicited ACH returns is 4:00 pm CT. Any unsolicited ACH returns processed after 4:00 pm CT is included in the next business day's unsolicited ACH file return.