

Health Savings Account Agreement (Share Draft)

This Health Savings Account Agreement (“Agreement”) provides information regarding your Health Savings Account with Elements Financial Federal Credit Union. In this document, “Elements Financial”, “credit union”, “we”, “us” and “our” means Elements Financial Federal Credit Union. “You” and “your” mean the owner of the HSA, or any attorney-in-fact or guardian properly appointed and accepted by Elements Financial. This Agreement is in addition to any and all other membership, loan, or service agreements and disclosures you may receive in connection with obtaining additional accounts, loans or services with Elements Financial.

Binding Effect: By signing the Account Application, you agree to the terms and conditions of this HSA Agreement, the HSA Account Application, the Membership Agreement and Deposit Account Terms & Conditions, the Deposit Rate Sheet, Fee Schedule, the Elements Financial By-laws and policies, and any amendments to these documents (collectively, the “Agreement”). You further agree that Elements Financial is not acting in the capacity of trustee or fiduciary agent and is merely providing account services.

Account Limitations: Due to the fact that an HSA represents a unique legal relationship with unique limitations, Elements Financial will not provide the following products, services or account access channels to these accounts. HSAs will not be permitted to enter into credit or lending contracts. Share drafts or checks are available upon request for HSAs. HSA debit cards will not function in ATMs or at non-health related merchants such as gas stations. Additional debit cards will only be issued to additional individuals who are 16 years or older (additional named card holder) and must be requested by the account owner. HSAs are not eligible for our Overdraft Privilege (ODP) program. HSAs are individually owned accounts and cannot be owned jointly. HSAs may not be overdrawn. Per Internal Revenue Service (IRS) Tax Code 4975, if a prohibited transaction such as an overdraft charge posts to an HSA, the account no longer qualifies for HSA status.

Verification of Eligibility: We require a signed HSA Application at the time of account opening in order to establish eligibility for an HSA. Elements Financial is not responsible for determining eligibility for a health savings account; it is the sole responsibility of the member/account holder to determine their own eligibility. Elements Financial requests a beneficiary to be named at the time of opening the HSA. Your signature on the Account Application authorizes Elements Financial to check your account, employment history, and obtain credit reports from third parties, including credit reporting agencies to verify your eligibility for the accounts and services you request or that Elements Financial may offer to you.

Disposition of Account at Death: You have the right to designate one or more beneficiaries to whom your HSA funds will be distributed upon your death. Beneficiary information is important due to IRS governing rules around transferring HSA funds at death. To be valid, any such beneficiary designation must be delivered to us prior to your death on a form provided by us, or a format that is otherwise acceptable to us. If there is no beneficiary designation on file with us at the time of your death, funds will be distributed to your estate. If you die before the entire account balance of your HSA is distributed, the remaining HSA balance will be distributed as follows: a) If the beneficiary is your spouse, the HSA will become your spouse’s HSA as of the date of your death (unless otherwise specified by applicable laws). b) If your beneficiary is not your spouse, the HSA will cease to be an HSA as of the date of your death and the fair market value of the account will be taxable to that

person in the tax year that includes the date of death. The credit union will coordinate with the appropriate person to accomplish this transfer. The credit union may restrict access to the account until authorized parties are established. Please see a tax professional or IRS HSA Publication 969 for additional information.

Account Types: HSAs are individual accounts and cannot be owned jointly. Only the owner may deposit, withdraw, transfer funds, or close the account. The owner may request additional debit cards in the name of their immediate family but the owner understands that they are assuming total account liability by making the request. All transactions performed by the additional named card holder are viewed to be made by the owner and it is the owner’s responsibility to comply with all IRS HSA limitations including maximum contribution limits that may be unique to that owner. The additional named card holder is not entitled to receive any information related to the HSA or provide any instructions to Elements Financial, and has no authority to perform any transactions other than those made by using the debit card.

Rights and Responsibilities: You acknowledge your responsibilities under IRS regulations or rules governing HSAs. Additionally, it is your responsibility to ensure compliance with all applicable IRS regulations or rules and to maintain records and receipts accordingly. All disbursements and deposits will be made in accordance with these respective governing rules. Elements Financial has no obligation to monitor or administer these accounts for compliance therein and will not be held liable for non-compliance. All withdrawals will be coded as a normal medical HSA distribution and will be reported to the IRS as such annually. All deposits will be reported as a regular contribution and will be reported to the IRS as such annually. Withdrawals and deposits made in error by the member/account holder are the responsibility of the member/account holder; Elements Financial has no obligation to correct errors made by the member/account holder unless and until the member/account holder gives a written declaration that the debit was indeed a mistaken distribution or the credit was a mistaken contribution. All electronic Point of Sale (POS) credits will be automatically treated as a regular contribution unless and until the member/account holder gives a written declaration that the credit was indeed a return of a mistaken distribution.

The credit union at its option, may (a) suspend or terminate the account, (b) require a court order to act, and/or (c) require that all parties agree in writing to any transaction or change in ownership for the account. If any deposited item is returned unpaid, or if the account is overdrawn, the member/account holder is liable to the credit union for the amount of any returned item, overdrawn amount or unpaid amount or charges, regardless of how it was caused or who benefited from the transaction.

Account Rates and Fees: Please refer to the Membership Agreement and Deposit Account Terms & Conditions, our current Deposit Rate Sheet (or our website (elements.org)) or Fee Schedule for current rates and fees. Please be aware that any fees charged to your account are not considered medical withdrawals and will not be reported to the IRS, as such. However, if you have already contributed the maximum amount allowed to the account for the year, you will not be able to replenish the account either.

Optional Investment Program: You acknowledge there is a minimum \$2,500 daily balance in the HSA share account required for you to have the option to

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participate in the DriveWealth Investment Program. Eligibility does not constitute enrollment in the optional investment program. You must actively elect to enroll in order to use the investment funding options provided to you through DriveWealth. Prio to meeting the \$2,500 threshold with DriveWealth, you have the ability to pre-enroll. With the pre-enrollment option, you set your investment account details along with your investment path before reaching the minimum amount to invest. Then, once your HSA hits the threshold needed, your investment account will be activated, and your participation in the HSA investment program will begin. Only balances in excess of \$2,500 are transferable to the optional investment program. *Please note that participation in the Investment Program is voluntary and you, the accountholder, bear all risk of loss from the investment selections made. NOT NCUA INSURED. MAY LOSE VALUE. NOT CREDIT UNION GUARANTEED.*

Account Termination: We may terminate or close your HSA if the account has had a zero (\$0) balance and no activity for 30 months.

Online Banking Authorization: You wish to subscribe to the services and authorize us, and any third party acting on our behalf, to serve as your agent in processing payments to targeted merchants and/or transfers to and from targeted accounts pursuant to your payment and/or transfer instructions, and you authorize us to post such payment to your designated account(s). You understand that we may not make certain payments and/or transfers if sufficient funds are not available in your designated account. This authorization is in force until revoked by you or us in writing and is subject to the "Service Terms and Conditions" as amended from time to time. Bill payment services are only available with share draft/checking accounts.

HSA Debit Card : You agree that the debit card to be issued to you is the property of Elements Financial. You agree to use it in the manner specified by us and to surrender it immediately upon demand. You agree that we may change this Agreement, including the Disclosures and Conditions of Use, at any time. You will be notified of any changes to this Agreement as required by law. The new Disclosures and Conditions of Use will then apply to your use of the debit card. Elements Financial may cancel your debit card at any time by giving you written notice, and you may cancel your card at any time by surrendering the card to us. Cancellation of the debit card by either us or you will relieve you of your obligation to pay Elements Financial any amounts you may owe.