Basic Investment Account FAQ

What investment options are available to me through the SelectAccount HSA Basic Investment Account?

Go to www.selectaccount.com, HSA link, to Investment Options tab under Additional Information about halfway down the page. You will find a link to the “pre-selected mutual funds list” which includes fund expense ratios, historical performance data, and links to the funds prospectuses and Morningstar® report.

What is the difference between the Basic Investment Account and the Charles Schwab Self-directed account?

The Basic Investment Account is a pre-selected suite of 24 mutual funds. You self-direct which funds to invest in; you may invest in more than one. The funds are traded through the Schwab mutual fund platform.

The Charles Schwab Self-directed Brokerage Account is an online trading account through Charles Schwab. You may invest in stocks, bonds, mutual funds, ETFs within this account. Additional fees and trading costs apply with this account.

What fees apply to the SelectAccount Basic Investment Account?

Beginning 2/1/2016 the investment fee will be charged yearly instead of monthly. The $18.00 fee will be charged yearly for record keeping and apply to the Basic Investment Account.

How are the fees deducted from my SelectAccount HSA?

The $18.00 will be deducted pro-rata according to your investment allocations from your investment account on a yearly basis to cover record keeping costs. Fees are not refundable or prorated if the investment account is closed prior to year-end.

What additional fees and commissions apply to the Basic Investment Account?

Certain funds may have short term redemption fees that may apply to curb market timing practices. For information on these fees, please see the current asset alignments screen or review the funds prospectuses.

What other research tools are available to me for the SelectAccount HSA Basic Investment Account?

Morningstar® reports are available to you on the investment performance worksheet which can be found on http://www.selectaccount.com or in the investment website under Planning & Advice. The HSA Asset Allocation Calculator is also available under Planning & Advice to
help you allocate your investments according to your risk tolerance and objectives for your HSA contributions.

**How will I know if the funds I choose are subject to redemption or exchange fees?**

This data is available in the fund’s prospectus and can be found on the investment website under the Current Asset Alignments link. Any fund that has a short term redemption fee or frequent trading policy will be indicated by a yield sign.

**What minimum investments apply to the funds, if any, in the SelectAccount Basic Investment Account?**

No minimum investment amount applies to the funds in the Basic Investment Account. A minimum of $10,000 is needed in order to invest in the Charles Schwab Self-Directed Brokerage Account, though.

**How often may I make changes to my SelectAccount HSA Basic Investment Account?**

You may make changes to your investment account as often as you like, but please keep in mind that some funds do charge short-term redemption fees to prevent market-timing practices. Please read the fund’s prospectus prior to making any changes to your account holdings.

**How often is my SelectAccount HSA Basic Investment Account balance and activity updated?**

Your Basic Investment Account is updated each night the New York Stock Exchange is open for business.

**I moved dollars from my SelectAccount base balance account and my account shows that it has been transferred, but I don’t see the dollars in the Basic Investment Account.**

It can take 2-3 business days to be able to view the dollars in your investment account. When dollars are transferred through Automated Clearing House (ACH) from the Base Balance Account to your Basic Investment Account, those dollars default to the Charles Schwab Money Market Account. Since the dollars are actually purchased into the Money Market fund, a one day settlement period takes place.

**If a new fund is added to the core group of mutual funds within the same asset class can I invest in both funds?**

Yes. You may invest in one or any of the funds available in the Basic Investment Account.

**How often should I re-balance my asset allocation in my SelectAccount HSA Basic Investment Account?**

You should re-balance your asset allocation as often as life changes and as investment objectives, risk tolerance and other factors concerning your investments occur. Re-balancing allows an investor to maintain a proper asset allocation and reasonable investment expectations. The HSA Asset Allocation Calculator link available on the investment website can help you determine your specific asset allocation by answering a few simple questions.
How do I change my address on the Basic Investment Account?

Contact SelectAccount Customer Service to change your address on the Basic Investment Account. SelectAccount collects that data and passes it along to the record keeper on a daily basis.

I currently own shares in a fund in other accounts listed in the Basic Investment Account program - will the shares I purchase in the Basic Investment Account apply to any breakpoints or rights of accumulation (ROA)?

Since the shares purchased in the Basic Investment Account are traded without a load they typically would not qualify for breakpoints or ROA; however, we recommend that you contact the fund company directly for further guidance.

My Basic Investment Account is invested in the Schwab Investor Money Fund and I appear to be losing money. I thought Money Market Funds were safe investments. Why am I losing money?

Any investment comes with risk and may involve the loss of principal. Currently, money market funds are paying historically low rates of interest. If you are invested in only the money market fund your account may appear to be losing interest because the $18.00 annual fee is deducted from your money market investment which can eat up the interest earnings on your money market. You may want to look at investing your Schwab Money Fund investment in the other mutual fund options available to you or move your money back to the SelectAccount Base account where you may earn more interest on your money.

Will I receive statements on my Basic Investment Account investment activity?

Yes, you will receive paper statements from SelectAccount that include your Basic Investment Account activity. However, you can choose to have electronic statements sent to you by email in the Set Delivery Options link found in the Statements on Demand tab on the investment website. You also have the ability to choose customized, on-line statements through the same tab on the investment website.

What are the trading deadlines for the Basic Investment Account?

The deadline for same day exchanges is 3:00pm CST. Members wishing to move dollars between funds have the ability to sell out of one fund and buy into another fund on the same day at that business day’s closing price if the transactions are conducted prior to 3:00pm CST. You will be able to see your transactions the next business day.

I can’t seem to access the Investment Website; or I can access the Investment Website, but cannot access the drop down boxes or make transactions. What do I do?

First, try deleting your Temporary Internet Files and cookies. Sometimes browsers get bogged down with a lot of junk in the files. If this doesn’t help, check your browser. Some versions of Internet Explorer, Google Chrome and Safari are not compatible with the investment website. Try switching to Firefox or a different version of your current browser and that should clear up any issues you are having.
How is the Rate of Return calculated on my Basic Investment Account?

The calculation method used to calculate your personal rate of return is the "Modified Dietz" Rate of Return.

What is the Charles Schwab Brokerage and how does it work?

The Brokerage account Is an online trading account through Charles Schwab. You may invest in stocks, bonds, mutual funds and ETFs within this account. You will be charged $1.50 per month by Devenir to maintain the Charles Schwab Self-Directed Brokerage Account. You are also subject to trading costs associated with the specific securities you buy and sell through Schwab and are charged directly by Charles Schwab. If you have a Health Savings Account (HSA) balance of $11,000.00 or more, you are eligible to open a Self-Directed Brokerage Account through Schwab. A $1,000.00 balance must remain in your HSA, and you must have a least $10,000.00 to transfer into the Brokerage account. If you are moving funds from an existing Basic Investment Account to a Schwab Self-Directed Brokerage Account, the balance in the Basic Investment Account must be at least $10,000.00.

Can I call Charles Schwab directly to get information on setting up the HSA investment account?

Charles Schwab does not offer a retail HSA account and will not be able to answer your questions regarding the SelectAccount HSA Charles Schwab brokerage account. Your best avenue is to contact SelectAccount.

What are the Fees and Trading Costs for the Charles Schwab Brokerage Account?

The member will be charged an $18.00 annual fee to maintain the Charles Schwab Brokerage account. This fee is taken from the Brokerage account and it is requested that the member leave enough money in a money market position so that Interactive may pull the fee from the money market so that the member does not need to sell other assets to cover the monthly fee.

The member will be subject to trading costs associated with the specific securities they buy and sell through Schwab and are charged directly by Charles Schwab. Schwab does not charge a maintenance fee to maintain the account.

A member may have both a Basic Investment Account and a Charles Schwab Brokerage account; however it is important to note that the member will be charged a $1.50 monthly fee on both accounts.

How do I set up a Charles Schwab Brokerage Account?

To open a brokerage account, sign into your HSA at www.selectaccount.com. Proceed to the Investment tab and click Open Basic Investment Account. After the money has moved from the HSA to the Basic Investment Account, you will log into your HSA and click View Investment Partner Website. From the Investment Home Page, go to Planning and Advice and click Schwab Self-directed Brokerage Electronic Account Opening link. Once the account is established and money is transferred from your SelectAccount, you are set to trade electronically on the Schwab.com website.
Can I transfer securities from another HSA Brokerage account to SelectAccount and the Charles Schwab Brokerage?

Securities may be transferred in kind from another HSA Brokerage account to the SelectAccount Charles Schwab Brokerage. Transferring securities in-kind requires a member to complete a transfer form and the required Schwab account paperwork. Some securities may not be eligible to be transferred and will need to be liquidated prior to transfer. For verification of eligibility please contact Devenir.

How are investments liquidated for transfer back to the base balance?

Liquidations from an investment account are taken pro-rata according to current allocations to the account. For example, if someone is invested across 4 funds 25% each the liquidation will come out of those for funds 25% each. I.E. customer wants $1,000 moved backed to their base account, $250 liquidated across those 4 funds.