

# Chase Health Savings Account (HSA) Investment Service Description



## The Chase HSA Investment Service

The Chase HSA Investment Service is offered to account holders who do not plan to spend their HSA Cash Account funds on eligible medical expenses in the near future and wish to invest for long-term savings.

The Chase HSA Investment Account gives you the ability to invest for the future in mutual funds, complementing the interest-earning HSA Cash Account. Like the HSA Cash Account, investments in mutual funds roll over from year to year, accumulate in a tax-deferred manner, and are portable. To open an investment account, you must accumulate a minimum of \$2,000 in your HSA Cash Account.

The Chase HSA Investment Account provides you access to a number of mutual fund options, each investing in different types of securities with distinctive risk and return characteristics. Collectively, this selection of mutual funds has been designed to satisfy varied investment objectives and investment time horizons. While the mutual funds available through this service are not FDIC insured and expose investors to the risk of loss of principal, they provide the opportunity to earn higher returns than might be available in the HSA Cash Account.

## Benefits of the Chase HSA Investment Service

### **JPMorgan Chase: The Strength of a Trusted Leader**

- For more than a century, clients worldwide have placed their trust in JPMorgan for investment and banking needs
- The JPMorgan Fund family is one of the largest U.S. mutual fund families, with more than \$200 billion in managed assets
- JPMorgan Chase has a dedicated health care team, creating new business solutions to meet clients' needs for more than 25 years
- JPMorgan Chase is a leader in consumer-driven health care and HSAs, maintaining relationships with leading health plans and benefits administrators

### **Diverse Slate of Investment Choices:**

- Diverse selection of asset classes, supporting a range of investment objectives and time horizons
- Funds selected based on performance, management, style and fees
- All funds available to HSA investors at net asset value with no front or back-end load<sup>1</sup> or investment minimums
- Ongoing mutual fund investment slate monitoring and management

### **Full Service Operations:**

- Seamless integration of cash and investment accounts
- User-friendly, comprehensive online web functionality
- HSA customer service and registered investment representatives available to answer questions
- Commitment to ongoing innovation

## How to Get Started

**ONLINE APPLICATION:** If you have at least \$2,000 in your HSA Cash Account, the cardholder web site will include an option for you to open an HSA Investment Account online by following 6 easy steps:

**STEP 1: ► Read and accept the Electronic Disclosure and Consent Agreement ("eConsent")**

Read and agree to the Electronic Disclosure and Consent Agreement ("eConsent") to begin the account opening process.

**STEP 2: ► Provide contact information**

Tell us how you would like to be reached with information regarding the Chase HSA Investment Service; e-mail, telephone, or US Postal Service and provide an e-mail address, if requested.

**STEP 3: ► Read and accept the Chase HSA Investment Account Terms and Conditions**

Read and agree to the legal agreements and disclaimers of the Chase HSA Investment Account.

**STEP 4: ► Initiate the first investment transfer (minimum \$2,000)**

Make an initial transfer of at least \$2,000 from your HSA Cash Account into the JPMorgan Prime Money Market Fund. Once your Investment Account is open, you will be able to transfer assets to the mutual fund(s) of your choice.

**STEP 5: ► Verify your transaction**

Verify the initial transfer amount entered in Step 4 is accurate.

**STEP 6: ► Print your Chase HSA Investment Account confirmation**

Print the confirmation for your request to open an account. It will take at least one business day to open your account and process your transfer request.

**PAPER APPLICATION:** If you do not have Internet access or are required to complete a paper application because you or a member of your household is currently affiliated or employed by a stock exchange or NASD member firm (Rule 407 disclosure),<sup>2</sup> refer to the customer service number on the back of your card to request an Investment Account application.

Upon receipt of the mailed application, an Investment Account can be set up through the following steps:

**STEP 1: ► Read and agree to the Chase HSA Investment Account Terms and Conditions**

Review the legal agreements and disclaimers of the Chase HSA Investment Account.

**STEP 2: ► Complete and submit the application**

In ink, fill in the required missing information in the appropriate fields and correct any information that is not current in the pre-populated fields.<sup>3</sup> Provide your signature and date on the lines provided on page 2 and return the signed copy of the application in the enclosed, postage paid envelope.

**STEP 3: ► Initiate the first investment transfer (\$2,000 minimum)**

In approximately 5-10 business days from the time we receive your investment application, you will receive a letter from JPMorgan Institutional Investments Inc. ("JPMII") advising that your Investment Account has been approved. When you are ready to make your initial mutual fund purchase, contact JPMII at 1-866-774-7129 and a representative will assist you with the first transaction. The \$10.00 phone-assisted trading fee will be waived for the initial transfer of at least \$2,000 from your HSA Cash Account into the JPMorgan Prime Money Market Fund. Subsequent phone-assisted transactions executed through JPMII will be subject to the \$10.00 charge. Online transactions do not incur a fee. Once your Investment Account is open, you will be able to transfer assets to the mutual fund(s) of your choice.

<sup>2</sup> If you or a member of your household is currently affiliated or employed by a stock exchange or NASD member firm, an employer letter of approval to open an account with JPMII is required.

<sup>3</sup> Please notify your employer or plan sponsor of any changes to your personal information.

## Frequently Asked Questions

### *What are the requirements for opening an HSA investment account?*

The minimum balance required to open an Chase HSA Investment Account is \$2,000 in the Cash Account. This is also the required minimum initial transfer amount.

### *How do I direct where my initial transfer is invested?*

The initial \$2,000 transfer will be directed to the JPMorgan Prime Money Market Fund and can be re-allocated to any of the available mutual funds you choose, as soon as the business day after the account is open.

### *What mutual fund investment options are offered?*

See the HSA Investment Choices insert for a list of the mutual funds available for investment. The investment options are designed to provide a variety of choices to meet different investment objectives and time horizons.

### *What fees should I expect to pay for the Chase HSA Investment Account?*

See the HSA Investment Choices insert for details on the fees associated with this service. There is a monthly bank administrative fee to maintain the account and a fee for phone-assisted mutual fund trades; online mutual fund trading is free.

### *What is the ongoing minimum balance required for the HSA Cash Account and HSA Investment Account?*

Once a Chase HSA Investment Account is opened, there is no minimum balance required in either the HSA Cash Account or Investment Account. As a general guideline, we recommend a \$100 minimum balance in the HSA Cash Account to pay for anticipated medical expenses and account fees.

### *After the initial \$2,000 investment amount is contributed, are there minimum amounts required for future contributions to the Chase HSA Investment Account?*

No, after the initial \$2,000 investment, there are no minimum investment amounts required for future contributions, nor are there minimum investment requirements for the mutual fund options.

### *How long does it take to transfer funds or make a trade?*

All transfers and trades requested and accepted prior to 3:30pm ET during normal trading days will be processed at the close of that day. The transfers/trades will be reflected the next business day.

### *What rationale was used for selecting the various investment choices?*

The investment choices for the HSA include a selection of diversified funds that allow account holders access to a variety of asset allocation, fixed income and equity mutual fund options, supporting a range of investment objectives and time horizons. These funds were chosen for performance, management, style and fees.

### *Am I allowed to split my investment into multiple funds?*

Yes, you can invest in as many of the available funds as desired.

### *How often can I change the investment option election?*

You may select a different investment option each time you invest and change your investment elections as often as you like. Please note that most mutual funds have rules to prevent excessive trading. Refer to the fund's prospectus for the short-term trading rules.

### *How can I determine the appropriate fund choices to select?*

You should carefully read the fund prospectus, which includes information on the fund's investment objectives, risk, charges and expenses along with other information before investing. You should consult a financial advisor to determine appropriate investment options.

### *Can I make deposits directly into my Chase HSA Investment Account?*

No, you can only make deposits to the HSA Cash Account. Once funds are available in the HSA Cash Account, you can transfer funds to the Investment Account on your cardholder web site or by calling customer service.

### *Can funds in my Chase HSA Investment Account be used to pay for eligible medical expenses?*

If you wish to use Chase HSA Investment Account assets to pay for medical expenses, you must first redeem mutual fund holdings and transfer them to the HSA Cash Account. Chase HSA Investment Account funds cannot be accessed using a debit card or check.

### *How often will statements and transaction confirmations be provided?*

You will receive a monthly statement for your Chase HSA Investment Account. When there is transaction activity, you will also receive a trade confirmation and monthly statement.

## Frequently Asked Questions – *continued*

*How do I check Investment Account balances, review pending transactions and place trades?*

To perform these activities, go to the "Manage Investments" section of the cardholder web site or call customer service.

*How do I track investment performance?*

You can track investment performance by going online, calling customer service or reviewing your periodic statement.

*How often is the investment account valued?*

HSA mutual fund investments are valued each trading day at the net asset value of the fund. Valuation changes are reflected online the next business day.

*How do investments impact my taxes?*

Chase HSA Investment Account earnings have the same tax advantages as earnings in the HSA Cash Account. Your total HSA balance, including the market value of your Investment Account, will be reported on your tax statements. You will continue to get 1099-SA tax statements to reflect withdrawals from your HSA and 5498-SA tax statements to reflect contributions to your HSA. You will not receive tax statements on capital gains or dividends.

*Is there a toll-free number for investment related questions? What are its hours of operation?*

After you open an Investment Account, you will have access to HSA registered investment representatives Monday-Friday, except holidays, by calling toll-free 1-866-774-7129, 8:30am – 6:30pm ET.

### **DISCLOSURE**

*Investors should carefully read the Fund prospectus, which includes information on the Fund's investment objectives, risk, as well as charges and expenses along with other information before investing. Prospectuses are available on the cardholder web site. Existing HSA Cash Account holders with questions about this service may contact a J.P. Morgan Institutional Investments Inc. representative.*

*An investment in the JPMorgan Prime Money Market Fund is not insured by the FDIC or any other government agency. Although money market funds strive to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.*

HSA Cash Account balances are held by JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. acts as settlement bank for HSA mutual fund transactions.

Mutual funds are introduced by and Chase HSA Investment Accounts are provided by J.P. Morgan Institutional Investments Inc., member NASD and SIPC, a broker dealer affiliate of JPMorgan Chase Bank, N.A. This service is available only to individuals (including U.S. citizens and U.S. resident aliens) residing in the U.S.

Affiliates of JPMorgan Chase Bank, N.A. receive fees for providing various services to the funds.

Not FDIC-insured • Not bank guaranteed • May lose value