



HSA Guide

for Brokers



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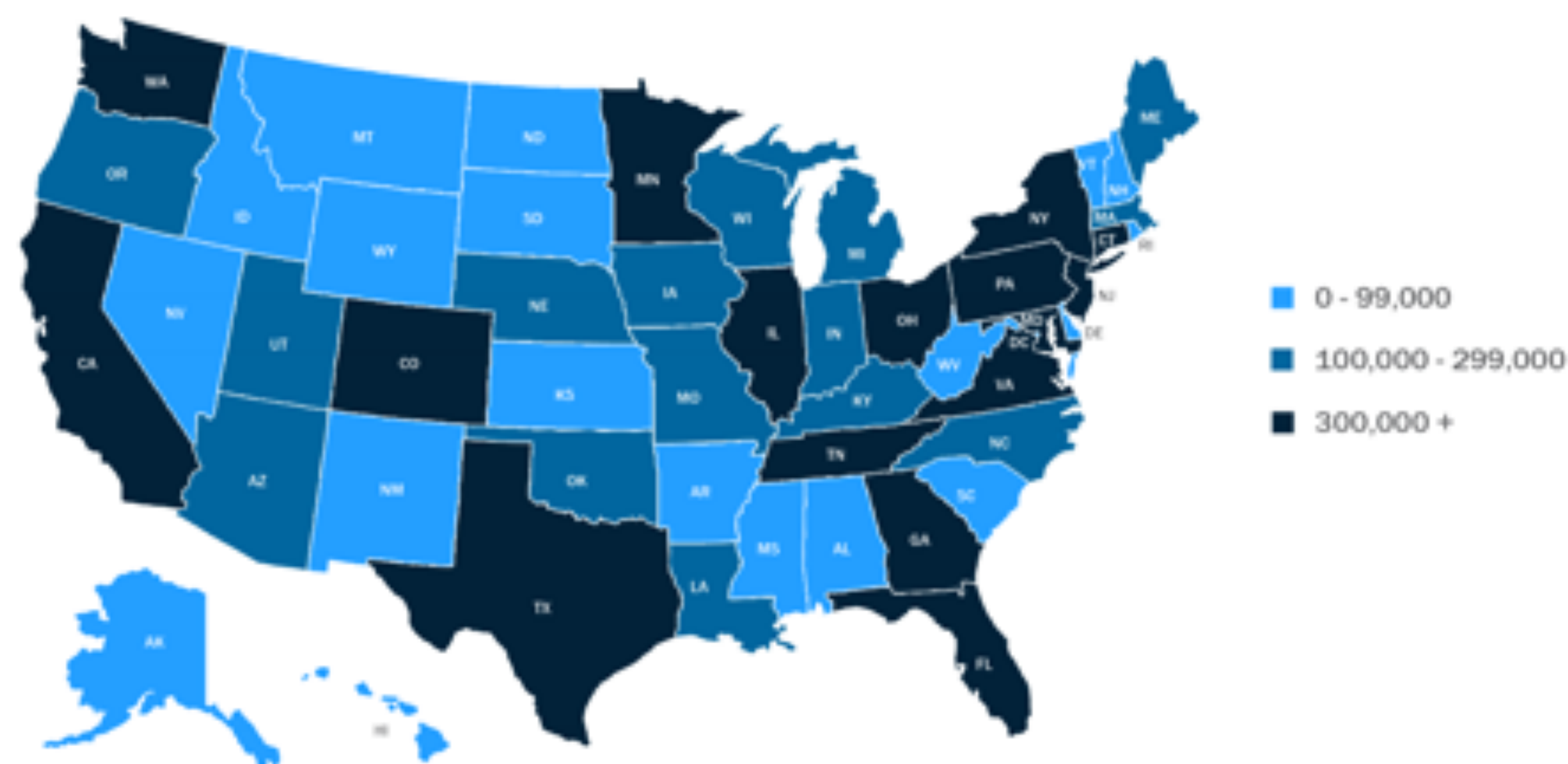
HSA Guide

Lively is a modern Health Savings Account (HSA)
Invest in Your Health

HSA Primer

Let us help you get started with a list of questions to help understand the current state of the HSA, it's place in the healthcare landscape, and how to bring even more value to your clients.

Is your state a dark blue state? (AKA one of the top HSA-eligible health plan states)



Data Source: America's Health Insurance Plans (AHIP)

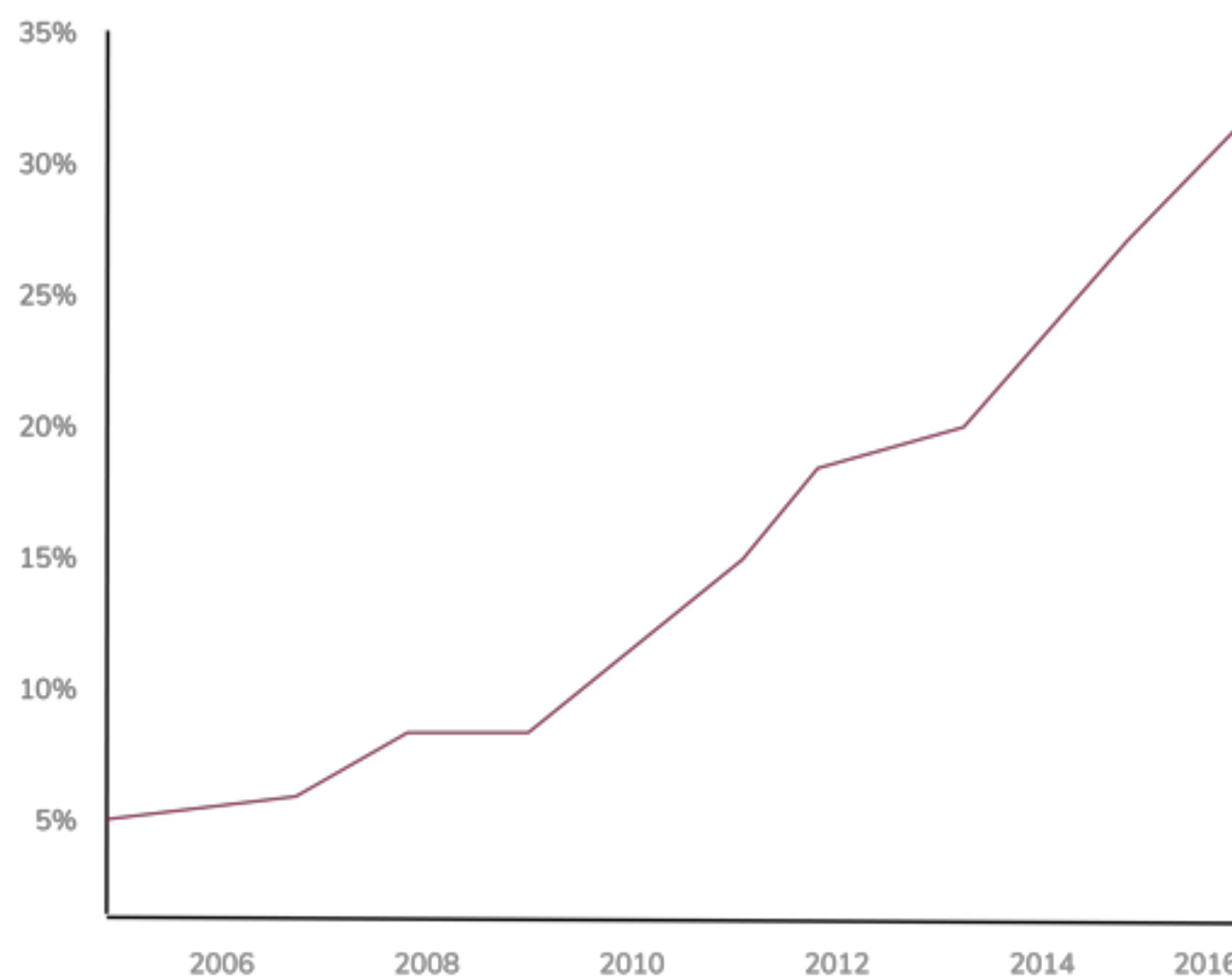
Texas, Georgia, New York, California, Florida, Washington, Illinois, Ohio, Virginia and Connecticut round out the top ten, but with HSA-eligible plan growth increasing by double digits each year, your employer pool continues to expand.

What Percent of Employers offer an HSA?

HSAs have grown 23% over the last year resulting in over 21 million accounts and \$42.7 billion in asset largely based on the growth of High Deductible Healthcare Plans (HDHP), which now account for 29% of all employee sponsored health plans.

HSA Primer (continued)

HSA Eligible Health Plan Growth



The number of employees enrolled in HDHPs has increased 20% in the last two years. We expect these trends will accelerate in the next several years as costs just continue to rise and with them, HSAs.

How do HSAs play a role in your conversation with clients?

Wouldn't it be great if you could expand your benefits offering with employers, simplify the value proposition, and get paid to do so? HSAs provide a clear path to success with all those boxes checked. On top of that, they are one of the only benefits that last for longer than 1 year from plan start date. Employees can use HSAs, and add to their value for years to come.

Engage your clients to help enhance their benefits offering with an HSA. Lively makes all this easy with transparent pricing, revenue sharing and the modern benefits experience you (and your clients) expect.

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HSA 2.0

HSA Review

HSAs were established as part of the Medicare Prescription Drug, Improvement, and Modernization Act in 2003. They were developed to replace the medical savings account (MSA).

An HSA or Health Savings Account is a personal savings account for health expenses. In more technical terms, an HSA is an interest-bearing savings account that can be used for health-related expenses with contribution limits set annually by the IRS. Think of it like a 401(k) for healthcare, but with extra tax savings. You can use the money for all qualifying health related expenses.

An HSA is not a healthcare plan, but can (and should) be used in conjunction with an HSA eligible healthcare plan (Like a high-deductible healthcare plan (HDHP)).

HSA 2.0 (continued)



Source: hsasearch.com

HSAs Today

HSAs were quickly adopted by large financial institutions, but were limited by their antiquated technology. The modern HSA, must include features like:

- o Paperless sign up (for employers and employees) in under 5 minutes
- o Automated payroll deductions so you can fully automate the process and never worry about it
- o Simple transparent pricing that includes free for groups with 9 or less enrolled and \$4 PEPM for 10+
- o HSA investments with no minimum balance (Many providers still require at least \$1K in cash)

“ Best I have seen is Lively, which gives you TD Ameritrade brokerage for \$30 annually, no minimum balance. ”

Aristotelian74 via [Reddit](#)

“ Move to Lively HSA, best in the business if you want to Invest. ”

Toincoss via [Reddit](#)

Adding an HSA to benefits offerings before, during or after open enrollment should save money and time. A modern HSA ensures the features employers and employees expect are at their fingertips.

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HSA Eligibility (skip to “How to Sell” if familiar)

How to Qualify

You must be enrolled on a HSA-qualifying high-deductible health plan (HDHP). These plans have lower premiums and higher deductibles than traditional healthcare plans. Under 2018 federal regulations, HDHPs that qualify must have deductibles of \$1,350 or more for an individual and \$2,700 for a family. If your employer does not offer an HSA as part of your high deductible health plan, you can sign up as an individual (or family) and contribute.

How it Works

HSA limits are set by the IRS (each year) and you can contribute up to \$3,450 for individuals and \$6,900 for families, in 2018. Your employer can contribute to your account as well. You can use an HSA to pay for any qualified medical related expenses (full list here) and unlike an FSA, there is no “use it or lose it” policy. You can keep any additional funds in your account to pay for medical expenses next year or in years to come.

In addition, all HSA contributions are eligible for personal use (non-health-related expenses) after you turn 65 years old. If you use it prior to 65, it operates just like a 401(k) – you pay ordinary income taxes and a penalty. It’s a great way to save for health expenses and your retirement at the same time!

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HSA Benefits

Tax-Free Money

Paying for healthcare costs with your HSA mean that you are saving 25%* off the retail cost. magical words: triple tax benefits. HSAs allow for tax-deductible contributions, tax-free growth through investments & interest and tax-free withdrawals (for medical expenses) which means you can use tax-free money from your HSA to pay for heath expenses.

Save For Today and Tomorrow

The flexibility of a health savings account (HSA) is multi-faceted. Unlike an FSA, there is no “use it or lose it” policy so you can add money today and use it for years to come. To that point, you own your HSA account and can take it with you if you leave your current employer and roll it over into a new account just like a 401k. Most importantly, you are creating long-term savings account to pay for any health expenses throughout your life. Even with Medicare, average healthcare expenses for couples in retirement are expected to exceed \$275,000. Having an interest-bearing HSA will help mitigate these health costs.

Sign Up in 5 Minutes

With all of these financial incentives, you would think signing up for an HSA would be hard. We can’t speak for other providers, but it is with Lively.

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Audience Segments

HSA Value for Young Individuals

Younger individuals commonly have lower health costs than other individuals. Using an HSA coupled with an HSA-eligible plan (like a High Deductible Health Plan) is a great healthcare strategy to save both employers and employees money. You can save money tax-free for expected health costs in years to come.

HSA Value for the Growing Family

There is no question, income allocation and savings gets harder as you add dependents to your household. Little Johnny might not understand the value of an HSA today, but you can wow him with your HSA balance in years to come. HSAs provide a great opportunity to pay for unexpected health costs, even if you need to contribute after the fact. Remember once you have established your HSA, you can use tax-free dollars to pay for medical bills and other qualified out-of-pocket medical expenses, even if you add those contributions after the quality event.

HSA Value for the Older

Retirement is full of wonder, leisure, and relaxation, but it's also filled with health costs. Retirement healthcare costs are expected to exceed \$275,000 for couples – on top of Medicare! Maxing out your HSA prior to retirement (if you have an HSA eligible plan), creates the only way to save tax-free money and pay for qualified medical expenses tax-free as well. Any HSA money you don't use for medical expenses, after 65 years of age, can be used for anything, just like an IRA or 401k.

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How to Sell

Pre-Open Enrollment

It's nice to get ahead of the curve and avoid being pushed to the bottom of a client's call log or email list. For example, a broker in Tennessee used Lively's HSA, to re-engage his clients before open enrollment to showcase cost savings benefits options. From there, he used this to review their benefits goals and cross-sell other offerings that would further enhance long-term value while keeping the cost savings concept in mind. It also ensures his relationship with these engaged clients for another year and a little less work during the busy open enrollment season.

Open Enrollment

With open enrollment in full swing, a broker representing 450 lives reached out to a current client (and employer admin) to provide details on Lively's HSA benefits. She used the HSA benefits overview to help her employer admin engage employers during open enrollment and help outline all the important nuances, trade-offs, advantages and disadvantages of health plans that they can consider. By using Lively's HSA she was able to insert herself in the conversation and help consult with employer decisions providing more value and deepening her reach and relationship at said company. She has already all but secured a broker renewal for the next open enrollment.

Post-Open Enrollment

The Health Savings Account decision is NOT tied to Open Enrollment! After the intensity of open enrollment subsided, Broker Mike used an HSA to upsell employers who are offering an HDHP as part of their health plans or to help his employers rollover to Lively's modern HSA. HSA roll over can occur well outside of open enrollment for both transfers and new accounts. With our HSA revenue share program, Broker Mike was able to add more revenue through the year, while helping deliver cost savings benefits to his employers.

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HSA Success

Cost Reducing Benefits Strategies

Healthcare costs are rising, likely a major influence in the movement from higher coverage healthcare plans to HSA-eligible plans like an HDHP. These cost reducing benefits strategies are important to balance benefits costs for employers. By adding an HSA, employers can extent their benefits offering, while keeping their cost-reducing strategy in place. On top of that, they are creating a benefits offering that employees can use for years to come. Helping employers understand they can lower benefits costs and expand offerings through this unique opportunity can further your engagement opportunities and sales offering. It's truly a win-win for everyone involved.

Employer Contribution Strategy

Employer cost savings that result from the selection of an HDHP vs. PPO or HMO can be transferred (fully or partially) to employer HSA contributions. This is one of the only ways, employers can add long-term savings value to an employer's healthcare. While healthcare plans are limited to yearly selections, HSA go with employees from job to job and year to year. Like a 401k, employees can use and HSA as a savings vehicle over their lifetime and build a health nest-egg for retirement. Helping employers understand this long-term value can help rebalance short vs. longer term benefits offerings.

Payroll Integration

Adding new partners always seem to mean more work. We took this to heart and built our HSA platform to work with various online payroll providers. This makes the onboarding and management process seamless. You can sell a Lively HSA knowing it will work with the systems your clients already use.

HSA Education

While HSAs aren't new to the market, the transition from PPOs to HDHPs and how to combine a HDHP with a HSA is new to many employers and employees. The longer-term value of an HDHP coupled with an HSA is likely unknown by employers and employees alike. Helping both understand eligibility, contributions, and tax requirements should be part of the selling or engagement process.

Features like HSA investments further enhance the opportunity to increase health savings and the need for education and understanding. These features can dramatically alter how employers and employees perceive the value of an HSA and their overall benefits selection.

Use Lively as a partner to let us provide this education for you. We can take care of the work, you can take the credit.

[Read More](#)

HSA Landscape

Cost Reducing Benefits Strategies

There are hundreds upon hundreds of HSA providers from traditional banks and financial institutions to local third party administators. Many providers nickel and dime customers with hidden fees that average \$26/year according to a recent Morningstar report. This is money that is being taken from individuals and employees health savings. Over the life of HSA, this can reach almost \$1,000 in lost HSA money*. On top of that, most traditional HSA providers make it difficult to get money when you need it most.

*Assumes 25 years at 3% annual compounded growth

HSA Landscape (continued)

Individuals and employees are accustomed to fully integrated, automated and digital benefits experience. HSAs must fit this profile to create the highest level of customer service, support and satisfaction. HSA usage and adoption will increase only if these parameters are met.

By the same inference, employers require these same parameters to drive employer satisfaction. Adding an HSA to an eligible HSA health plan will allow individuals and employers to save for the long-term. Selecting a modern HSA, that meets their technological expectations will save brokers time and employers money.

HSA Features		
HSA Features	Lively HSA	Traditional HSA
5 Minute Sign Up	✓	✗
Payroll Integration	✓	✗
Transparent Pricing	✓	✗
No Hidden Fees	✓	✗
100% Paperless	✓	✗

Read More

Employer Enrollment

Getting up a running within 5 minutes of signing up for an HSA is a requirement for the modern HSA experience.

Lively

Create Your Account

Employer Account

Individual Account

*All fields are required unless otherwise noted

Legal Company Name

ABC Company

Administrator Information

First Name

HR

Last Name

Manager

Email

hr@abccompany.com

Password

Re-enter Password

Your password must be at least 8 characters long, and include one lowercase letter, one uppercase letter and at least one symbol or number.

☒ I agree with Lively's Employer Enrollment Agreement, Terms & Conditions and Privacy Policy

Sign up

Already have a Lively account? Log in

Employer Enrollement (continued)

Setting up your company with a Lively HSA can be done effortlessly without the need of completing annoying administrative paperwork. To get started, all you need is basic company information (e.g., legal name, company address, etc.) and each eligible employee's basic contact information. Lively then will automatically email each employee with instructions to sign-up.

[Read More](#)

Payroll Integrations

Adding a new benefits solution should increase employer productivity and satisfaction, but at minimum time and cost to employers. HSA need to work with employers existing benefits and payroll systems to enable automated scheduled of HSA contributions and eliminate paperwork.

[Justworks](#)[ADP Workforce Now](#)[Gusto](#)[Zenefits](#)[Paychex](#)[Paylocity](#)[Rippling](#)[ADP Run](#)[Quickbooks](#)[Kronos](#)[+ Custom Options](#)[TRAX](#)

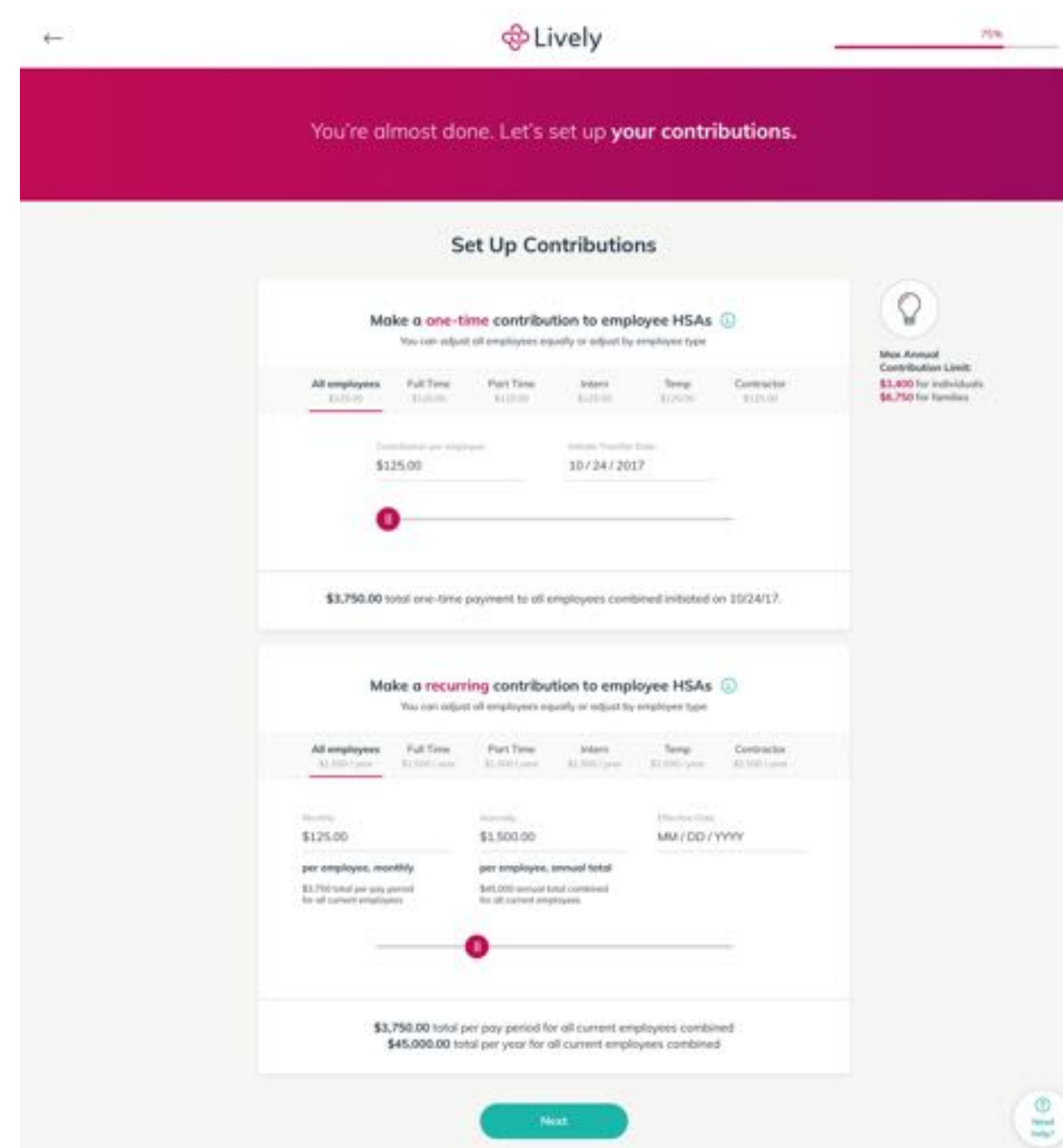
You can effortlessly sync your payroll system to Lively allowing you to streamline company contributions and automate each employee's pre-tax deductions. Lively is currently automated with the following payroll systems: ADP Workforce Now, ADP Run, Paychex, Quickbooks Online, Gusto, Justworks, Zenefits, Rippling, TRAX payroll, Kronos and Paylocity. Contact us for more detail on custom integrations as well.

[Read More](#)

Employer Contributions

Manage your contribution in the way(s) that work best for you. One-time or recurring scheduled contributions that can be easily connected to your bank account. Set and automatically contribute as you see fit without any extra work each month.

Use our contributions calculator to understand annual contributions while adhering to yearly IRS HSA tax specifications. Control contributions by employee type and easily transition employees if employment status changes.

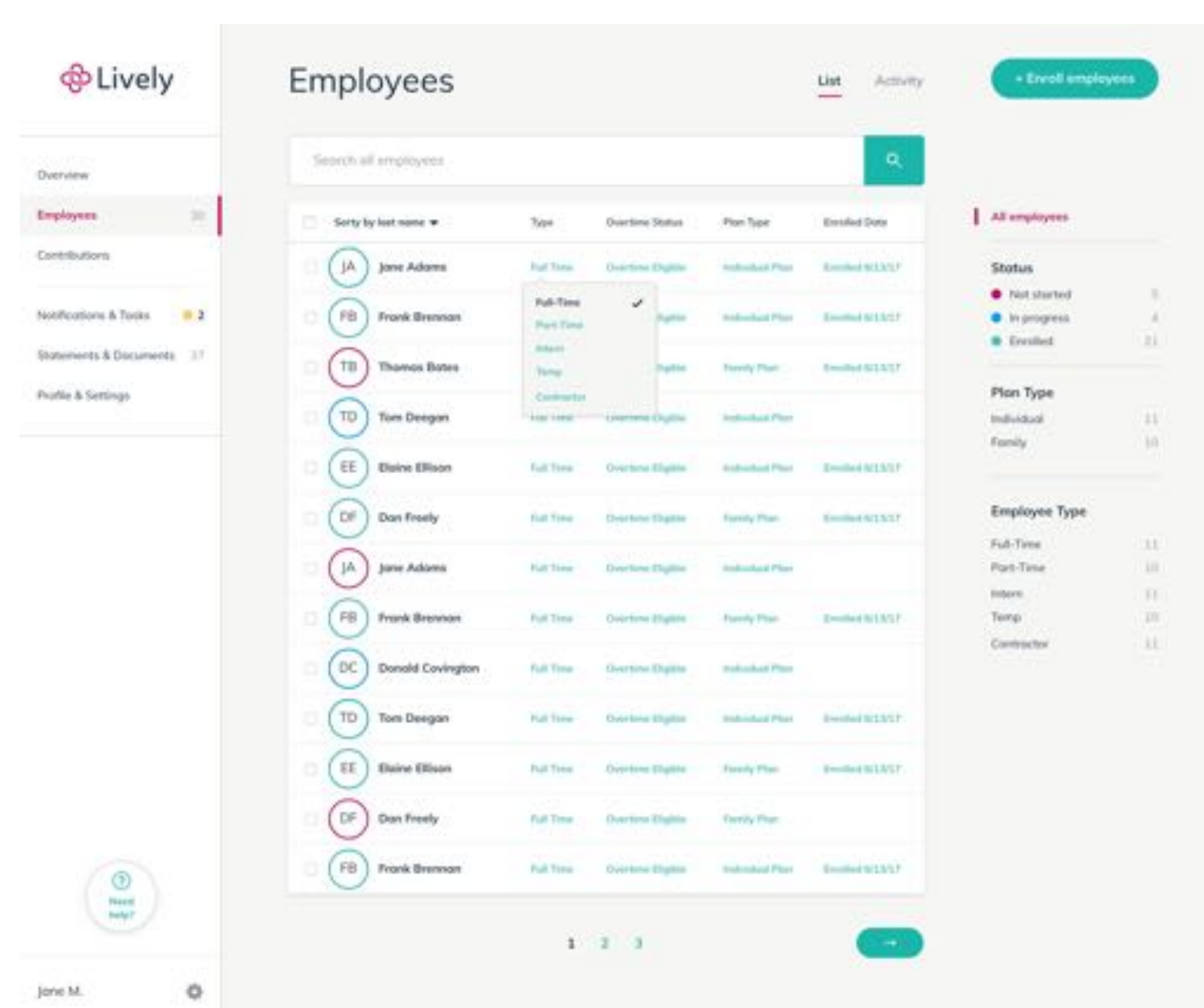


Employers can easily make 1-time and recurring contributions to your employees' HSAs. No longer do you need to fill out paperwork to make contribution changes.

[Read More](#)

Employee Enrollment

Once employer sign up is complete, add employees' details (name and email). They will be immediately notified to complete sign up and can start using their HSA immediately. Easily add new hires or remove former employees with a click.



Name	Type	Overdue Status	Plan Type	Enrolled Date
JA Jane Adams	Full-Time	Overdue Eligible	Individual Plan	Enrolled 8/13/17
FB Frank Brennan	Full-Time	Overdue Eligible	Individual Plan	Enrolled 8/13/17
TB Thomas Bates	Temp	Overdue Eligible	Family Plan	Enrolled 8/13/17
TD Tim Duggan	Full-Time	Overdue Eligible	Individual Plan	Enrolled 8/13/17
EE Elaine Ellison	Full-Time	Overdue Eligible	Individual Plan	Enrolled 8/13/17
DF Dan Freely	Full-Time	Overdue Eligible	Family Plan	Enrolled 8/13/17
JA Jane Adams	Full-Time	Overdue Eligible	Individual Plan	Enrolled 8/13/17
FB Frank Brennan	Full-Time	Overdue Eligible	Family Plan	Enrolled 8/13/17
DC Donald Covington	Full-Time	Overdue Eligible	Individual Plan	Enrolled 8/13/17
TD Tim Duggan	Full-Time	Overdue Eligible	Individual Plan	Enrolled 8/13/17
EE Elaine Ellison	Full-Time	Overdue Eligible	Family Plan	Enrolled 8/13/17
DF Dan Freely	Full-Time	Overdue Eligible	Family Plan	Enrolled 8/13/17
FB Frank Brennan	Full-Time	Overdue Eligible	Individual Plan	Enrolled 8/13/17

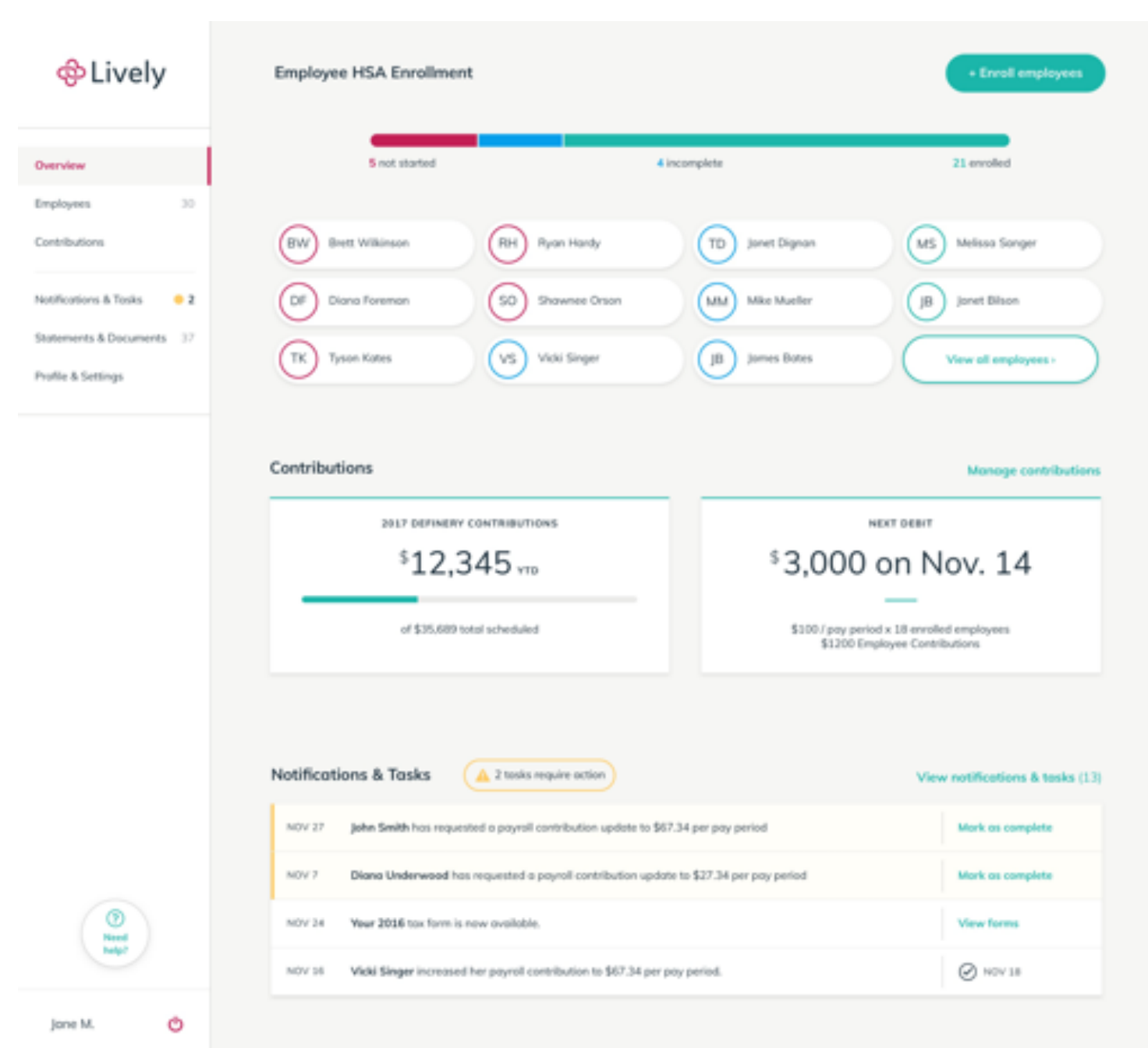
Employee Enrollement (continued)

The employer dashboard displays a seamless view of all employees who have and have not enrolled in the HSA. You can also view individual employee activity such as when they signed up along with if and when they made a change to their contributions.

[Read More](#)

Employer Dashboard

Manage your HSA with our online dashboard. Make changes, review employee enrollment and employer contributions. Ask questions and get feedback in real-time.



We have had the painful first-hand experience of administrating benefits ourselves and we know it isn't easy. The tools and software out there today lack thoughtfulness. We're different and we know that your experience matters, regardless if you're in HR, Finance, Operations, or the founder!

[Read More](#)

Customer Support

We know how important your time is. We have a dedicated team to support our HSA platform. Talk to our customer service team with help for questions like:

- Employer sign up
- Eligible plans
- Qualified medical expenses
- Transfers and rollover options
- Payroll contributions
- Whatever else you might need!

You can also visit our learning center to better arm yourself with HSA details and FAQs.

[Read More](#)



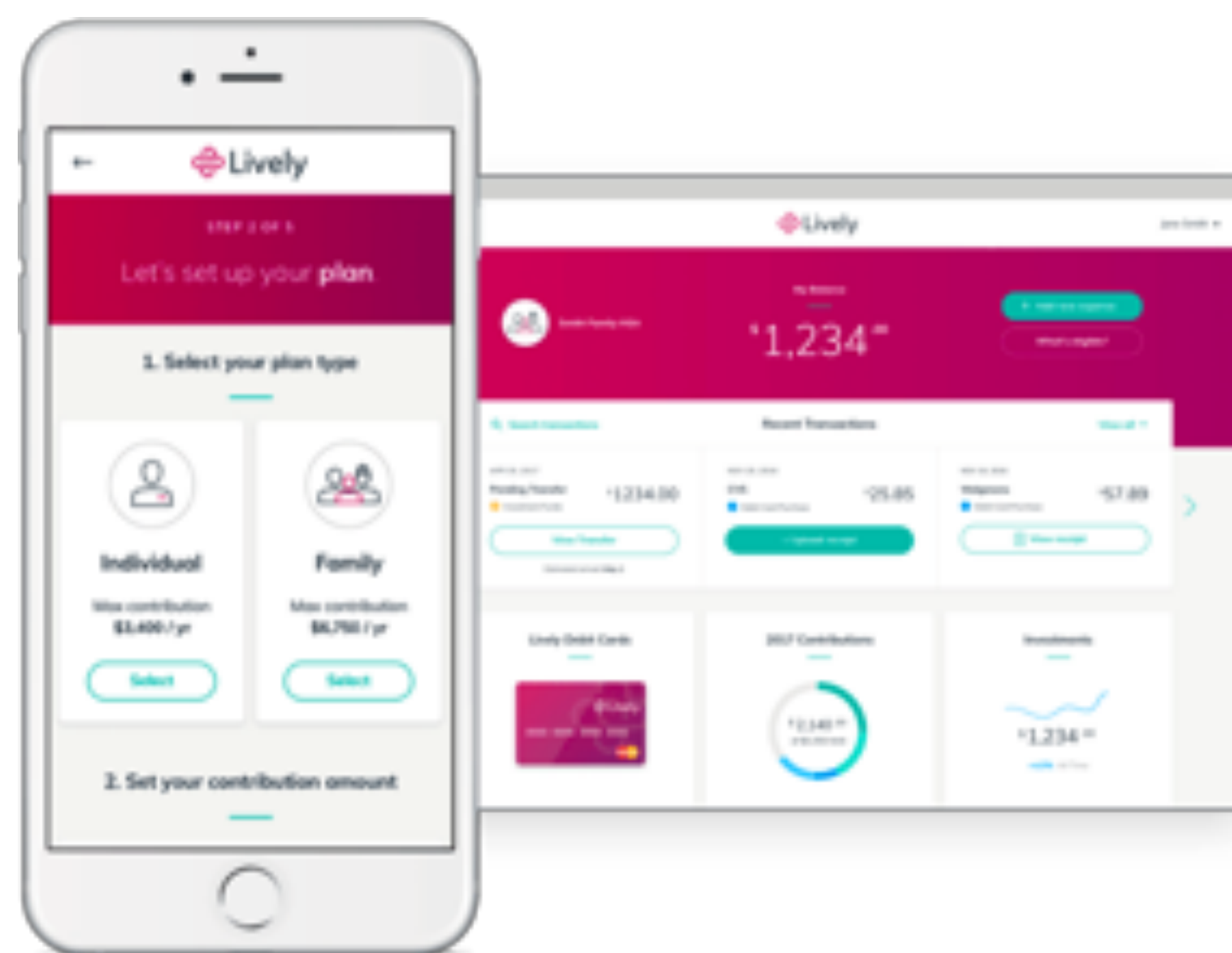
Lively HSA

Lively is a Health Savings Account (HSA) platform for employers and individuals. We have created a beautifully designed software with a simple and intuitive user experience to help you get the most out of your HSA. Lively HSAs work alongside qualifying high deductible health plans to make healthcare easier for everyone. Lively provides employers and their employees a paperless and digital way to manage their health savings account this includes simple easy sign up (less than 5 minutes), payroll syncing, and transparent pricing. Lively is not a bank, but has all of the benefits of one.

100% Paperless & Online

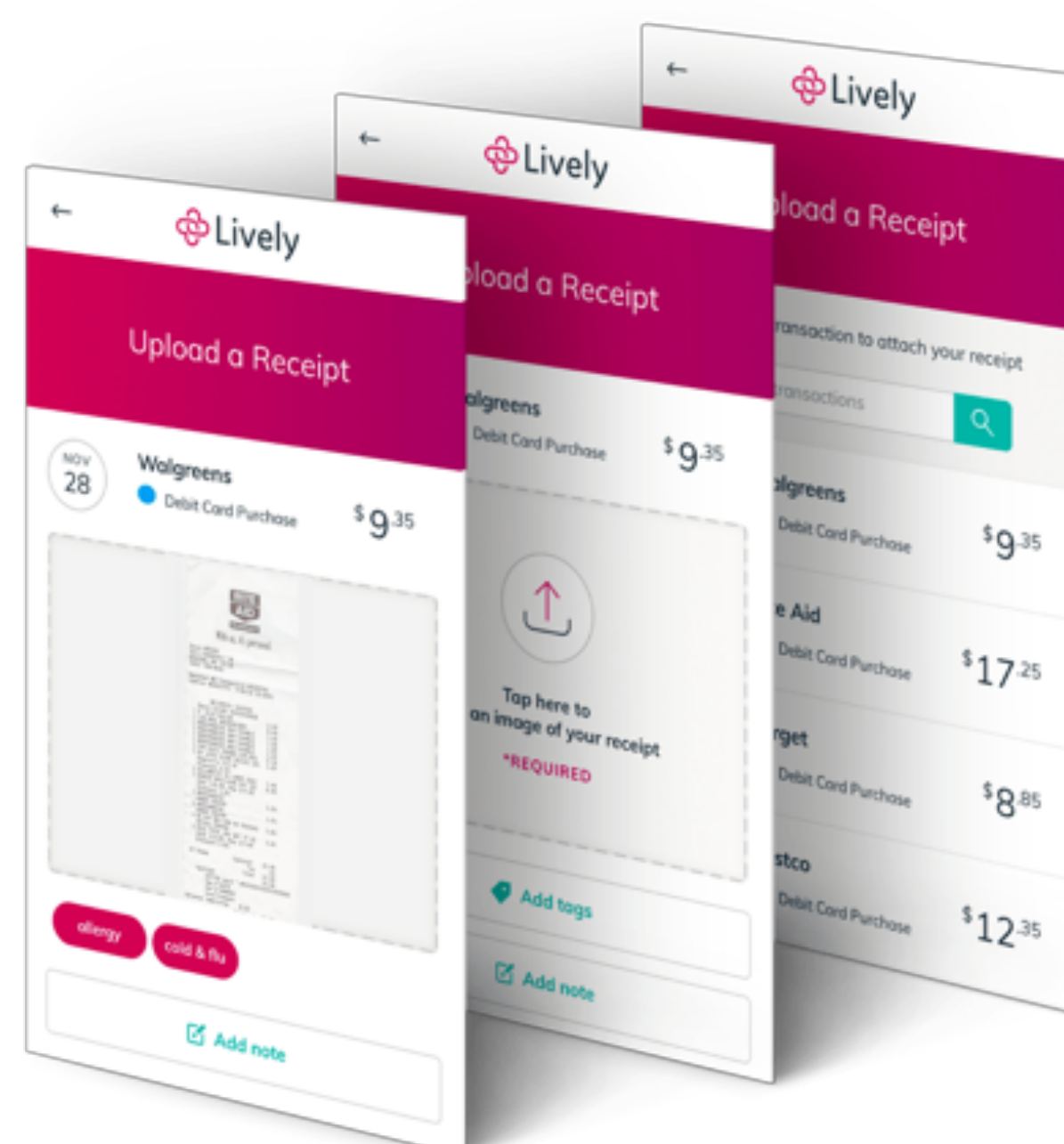
Time is precious and nobody wants to waste it filling out paperwork. Lively has designed an intuitive experience that will leave employers and employees pleasantly surprised. Employers will be up and running in under 5 minutes!

Since employee personal bank accounts are linked to their Lively HSA, if they ever have to pay for something without their Lively debit card, employees can reimburse themselves and the funds will show up in their account the very next day!



Receipt Upload & Categorization

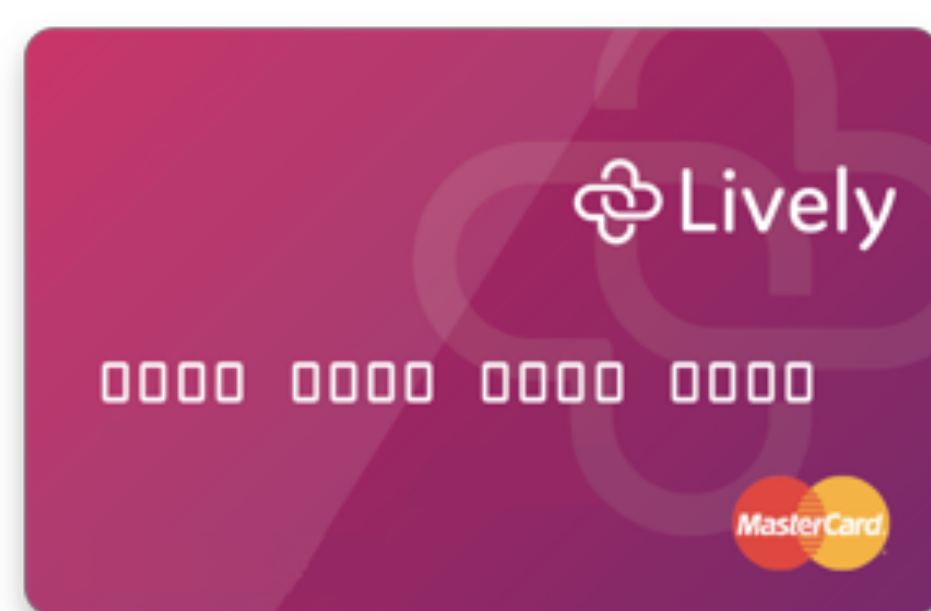
Keeping track of paperwork is annoying. We know. That is why we have focused on electronically uploading and storing receipts. We help employees categorize and create tags for uploaded receipts so they can view them later. Additionally, we will display all transactions made with their Lively debit card. We will surface those transactions so they can easily pin or upload a corresponding receipt for that transaction. We want to help protect employees from possible IRS audits.



Lively HSA (continued)

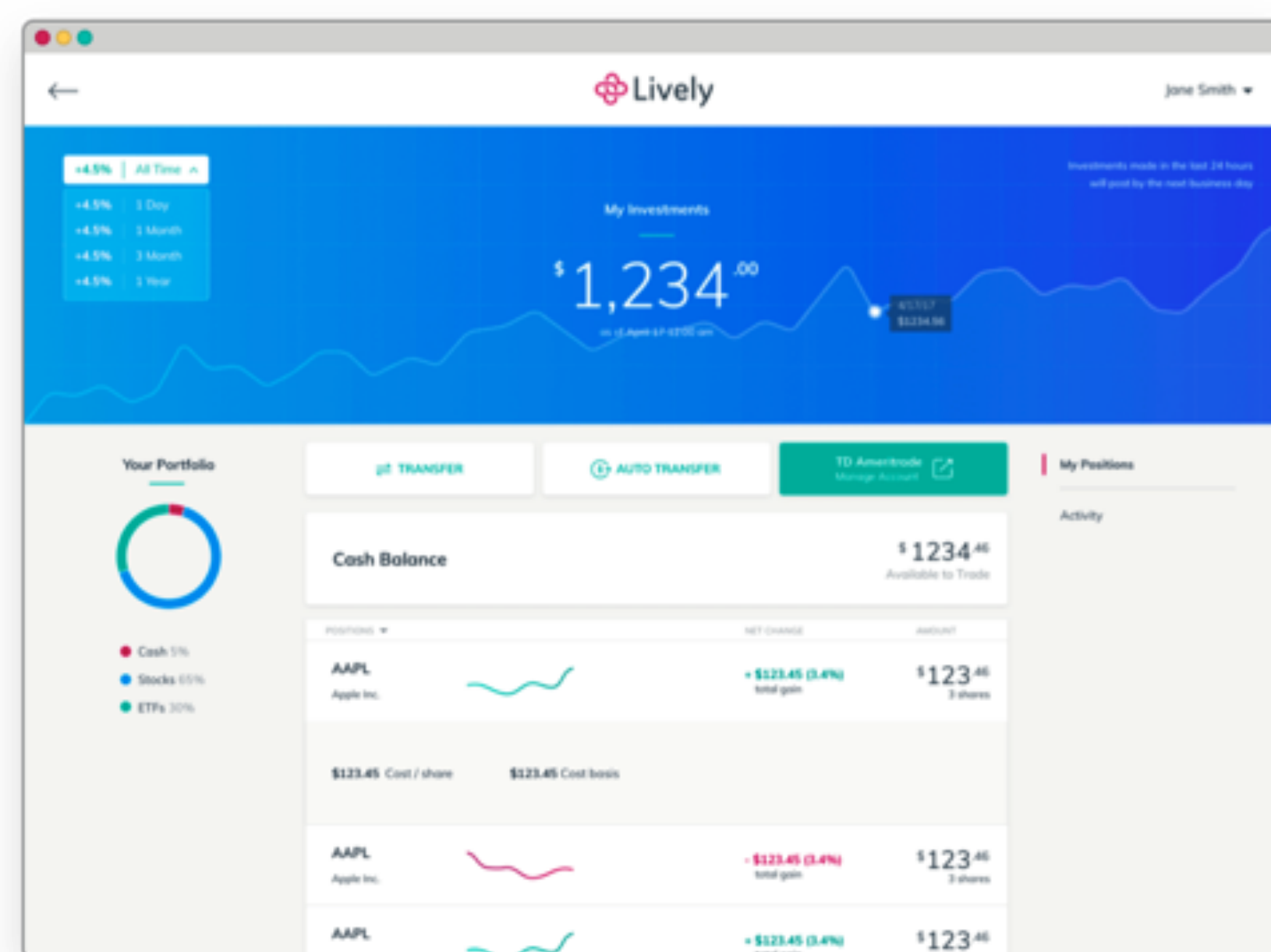
Lively Branded Debit Card

Employees will receive a personalized Lively-branded MasterCard for their qualified medical expenses. They can use their card at your doctor's office, pharmacy, or any other qualified medical expense provider where MasterCard is accepted. Any time they use their Lively card, the transaction details will automatically be available when they log into your HSA account. Additionally, they can just log into your account to activate their card so they don't need to call a 1-800 number that may or may not work!



Invest from Day 1

Employees can invest their Lively HSA Funds with a TD Ameritrade Self-Directed Brokerage Account. No minimum balance required, manage entirely online. Only \$2.50 / month (no additional fees by Lively). Only take 5-10 minutes to sign up. Other investment fees may apply.



Sign Up

The content presented on this document is for informational purposes only, and is not, and must not be, considered investment, legal, accounting or financial planning advice, nor a recommendation as to a specific course of action. Investors should consult all available information, including fund prospectuses, and consult with appropriate investment, accounting, legal, and accounting professionals, as appropriate, before making any investment or utilizing any financial planning strategy.