

HSA Customer Identification Program (CIP) Overview

MyChoice® Accounts



HSA CIP Overview

The USA Patriot Act Section 326 requires financial institutions to verify the identity of individuals wishing to conduct financial transactions with them. Any bank opening a Health Savings Account (HSA) must provide Customer Identification Programs (CIP) to prevent the financing of terrorist operations and money laundering.

MyChoice Accounts by Businessolver® takes appropriate steps to ensure its banking partner follows the appropriate regulations, so that your employees' HSAs are compliant. CIP requirements can be frustrating when employee accounts pend or don't pass the CIP process. So, Businessolver has implemented a few enhancements to make this process as smooth as possible for our clients and for their employees.

Required CIP Data

Here's the information necessary for CIP verification:

- **Full Legal Name** (First Name, Last Name, Middle Initial)
 - No married name if legal change hasn't been made
 - No deviations from full legal name
 - No nicknames
 - No different spellings of a legal name
- **Residential Address**
 - No P.O. Box or Non-U.S. Address allowed
 - Must be a physical address location
- **Date of Birth**
 - Must be at least 18 years old
- **Social Security Number** (SSN)
- **Home or Business Phone**

The custodian bank uses this information to verify the accountholder's identity and Businessolver will send it securely to the bank to validate against its CIP verification system.

CIP Verification Process Results

The verification process leads to one of two possible results:

- **Pass:** The accountholder's information is verified, and the bank opens the account
- **Fail:** The accountholder's information fails verification. This typically occurs after 30 days to collect and retry.

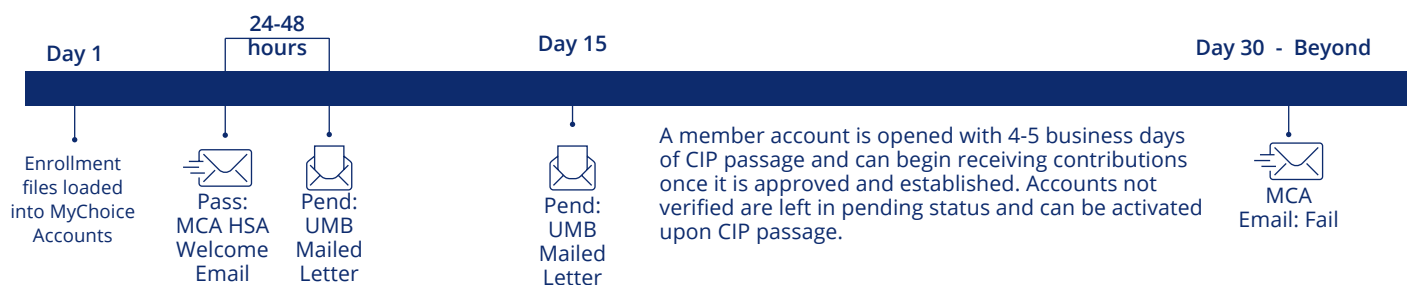
The following is a list of common scenarios which may cause an individual to fail the CIP process*:

- Name matches Office of Foreign Assets Control (OFAC) registry listing
- SSN issue date is prior to date of birth
- SSN is for a deceased individual
- Day, year, or month of birth does not coincide with SSN
- SSN does not coincide with name and address
- State of Nevada does not provide SSN listings for credit/ID verifications
- Employee has a "freeze" placed on their credit as a voluntary protection against credit fraud

*These are examples but not a complete list of the types of possible challenges or reasons for CIP failure.



CIP Process Communication Schedule



Initial Notice: Pass or Pend Notification – Once the member record is loaded into MyChoice Accounts, an initial CIP verification is performed by our custodian bank, UMB.

Pass: Within 24-48 hours, members who pass the CIP receive an HSA welcome notice via email. Additionally, the member receives an initial email from UMB with electronic statement information.

Pend: If the CIP pends (does not pass), the employee will receive a letter, through U.S. mail, directly from the bank custodian, notifying them that additional information is needed in order to complete CIP.

Pend, Second Notice: Mailed Letter from UMB – after 15 business days, if no response from the employee or custodian bank needs additional information a mailed notice will be sent to the employee directly from custodian bank – notifying them that if they do not provide the necessary documentation, their HSA will not be opened.

Fail, Third Notice: Email Notice from MyChoice Accounts – At the 30 day mark, MyChoice Accounts receives a “fail” notice from UMB and sends an email to the member with a reminder about next steps to take to open their HSA. The member has 18 months to provide needed documentation and open their HSA.

Clients should review the CIP Status Report to review any outstanding employees. Pending accounts are NOT included on the funding requests and employers should not submit contributions for pended accounts.

Valid Forms of ID for CIP Verification

Employees who need to provide additional documentation to complete the CIP process must provide two unique forms of identification from the list below to the custodian bank within 30 days of notification:

- **Proof of Identification:**
 - State-issued driver's licenses (temporary/paper versions are unacceptable)
 - State-issued non-driver or identification card
 - U.S.-issued passport
 - Other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard to the extent allowed by law or regulation.
- **A copy of their Social Security Card**

Understanding the Process

Here are some of the challenges for employees and employers when employees fail the CIP process:

- We see an average of 1–3% of employees that are potential candidates to resolve CIP status.
- Employee fails to respond to requests—lack of engagement and ownership.
- Incorrect census data from employer.
- Timing between enrollment and account opening or failure to open.
- Employees can't use employers' lump sum funding to the accounts.
- Delayed Contributions (Employee and/or Employer)

Here are the steps to expect:

- a. Eligible employee elects HSA via their enrollment platform and records are loaded into MyChoice Accounts.
- b. Employee information sent to custodian bank (UMB) to begin CIP process and open account.
- c. Custodian bank receives employee data and initiates CIP:
 - i. CIP Pass:
 1. Custodian bank returns *CIP passed* indicator to MyChoice Accounts
 2. Member receives email notification that account is opened and if they are a new participant, a MyChoice Accounts Spending card is created and mailed. *If participating in other carded plans, the HSA account is added to the existing debit card.*
 3. Member's HSA plan is updated in Benefitsolver from pending to approved.*
 4. Employee and/or Employer contributions reported on Benefitsolver payroll file, deducted from employees' payroll and contributions are reported back to Benefitsolver (closed loop or separate payroll file).*
 5. Contributions may now be loaded to the member's HSA account and will reflect in a pending status.
 6. Employer receives funds requests for total eligible HSA contributions pending payment.
 7. Funds request payment received by MyChoice Accounts and released to custodian bank to be deposited in member accounts. Funds are then made available for spend and pending contributions are updated to "posted" in MyChoice Accounts.

ii. CIP Fail:

1. Member is sent to UMB and does not pass the initial CIP check. UMB mails the member a letter requesting identifying documentation.
2. After 15 days, if the member has not provided the documentation to UMB, they will mail a second letter to the member requesting documentation.
3. Approximately 30 business days from the initial failure, if no documentation has been provided, we will receive a code from UMB updating the system to reflect the CIP Failed status and an event will be triggered from action manager that will email a CIP Failure notice.
4. Member can provide documentation to UMB at any time up to 18 months from the original test date. If the request is satisfied, CIP can then be passed and that workflow will begin.
5. Employer can run the CIP Status Report at any time in MyChoice Accounts to reflect the CIP status of all employee enrollments, including these CIP failures.

*These steps do not apply to employers who are not using Benefitsolver® as their enrollment and eligibility system.

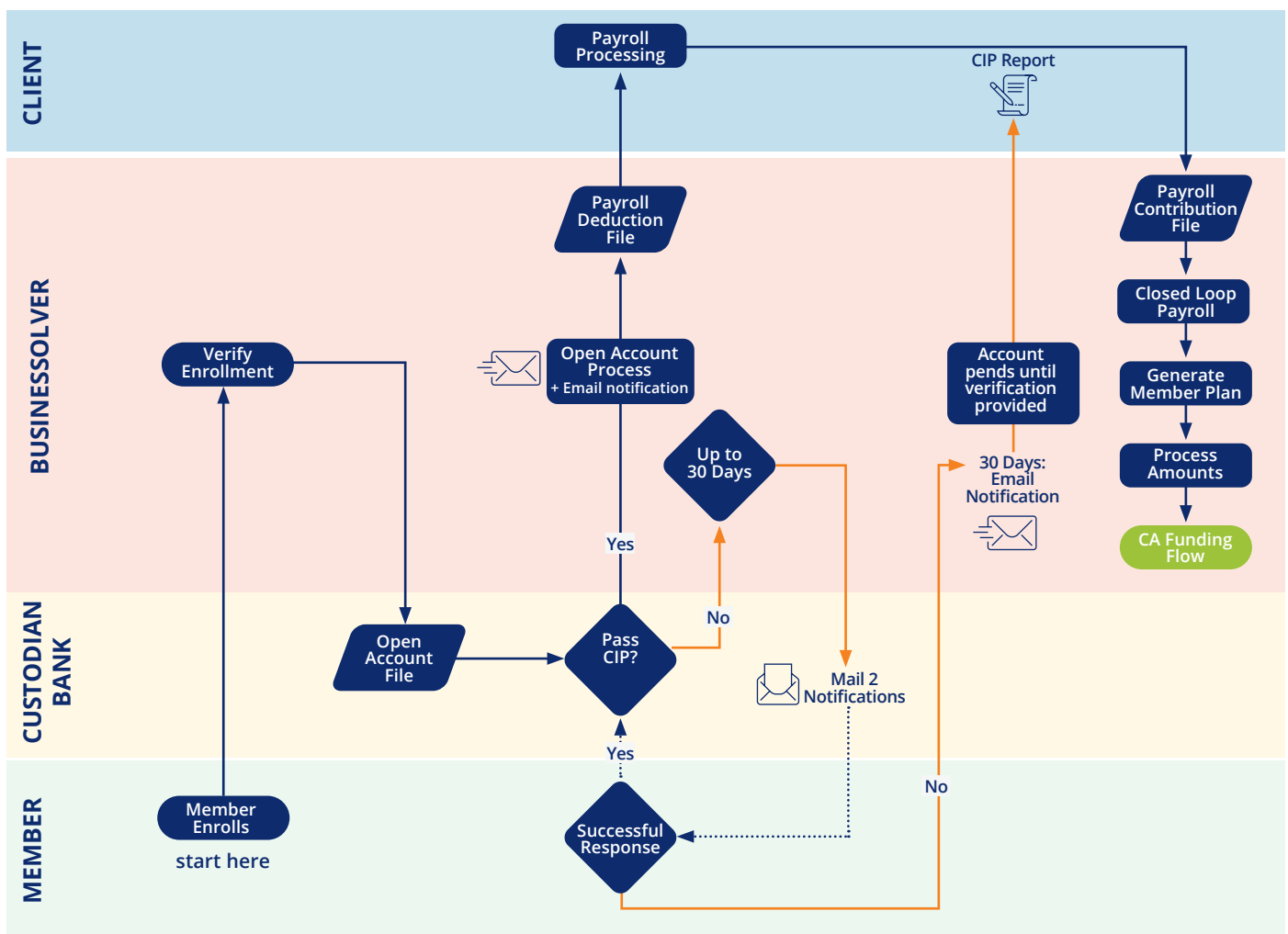
**Any documentation to rectify a CIP Failure must be sent to UMB (not Businessolver).
The information can be sent one of two ways:**

1. **Email to HSA.CIPSupport@UMB.com.** Send an email to this email address requesting a secure email to transmit the documents.
2. **OR Mail to:** UMB Healthcare Services
P.O. Box 419226
ATTN: CIP UPDATE (MS: 10020502)
Kansas City MO 64141-6226

The HSA status remaining in *Pending* indicates the member has not passed CIP, or another issue with their enrollment. No employee or employer contributions should be sent if the member is Pending Approval (in Benefitsolver) or Pending (CIP Report).

HSA CIP Data Flow

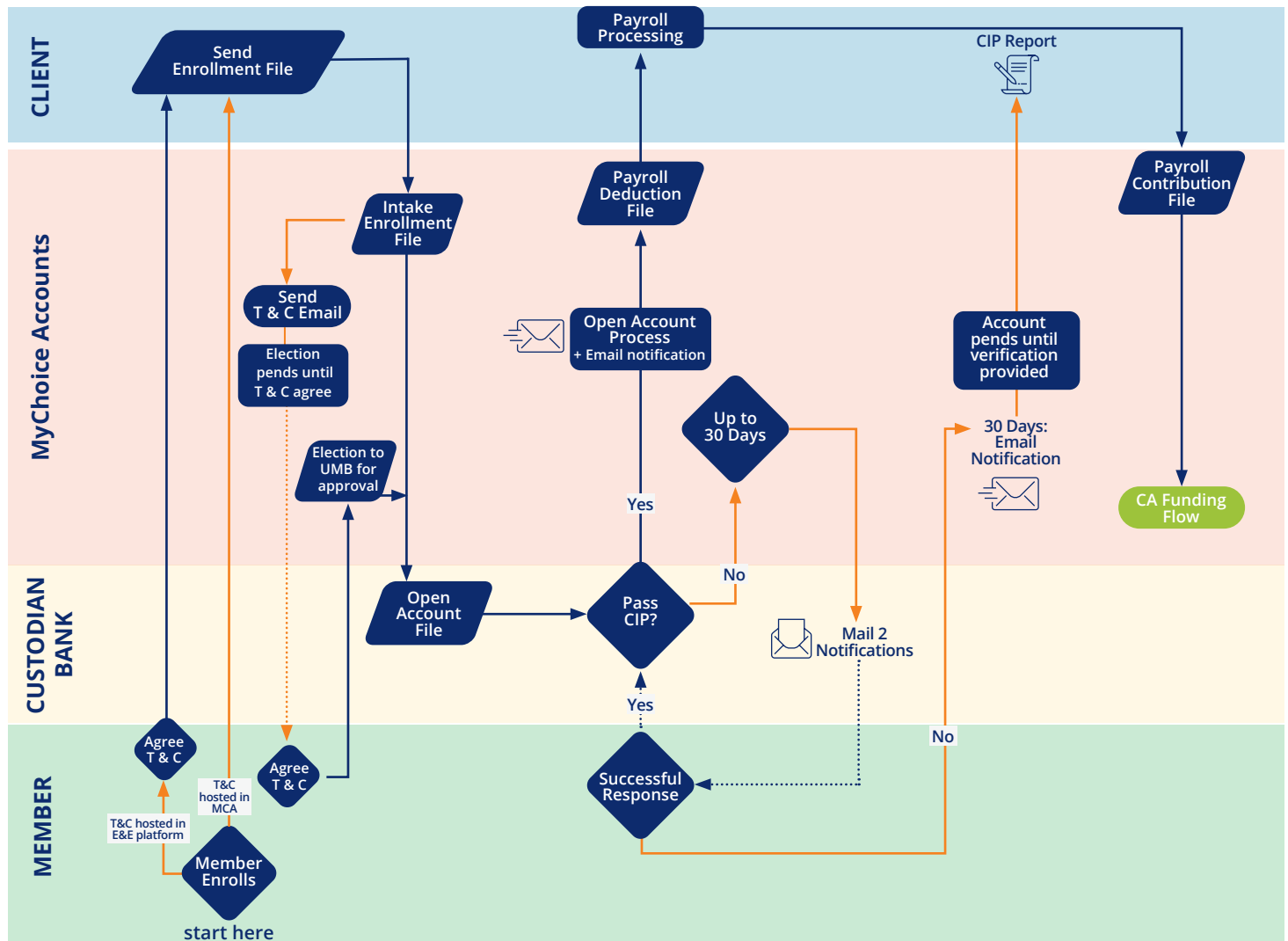
For clients with Benefitsolver + MyChoice Accounts



*These steps do not apply to employers who are not using Benefitsolver® as their enrollment and eligibility system.

HSA CIP Data Flow

For clients with MyChoice Accounts only



HSA CIP Communication Examples

Initial Notice - Pass: Email - Welcome to Your HSA/CIP Pass Notice

mychoice[™]
Accounts



Hello [[member_fname]],

Welcome to MyChoice® Accounts!

You've successfully opened your Health Savings Account (HSA) and passed identity verification.

Congratulations!

What's next:

- If you don't already have a MyChoice Accounts debit card, it will arrive in the mail soon.
- There's nothing else you need to do right now; but when you're ready, here's how to get started.

Your HSA Setup Checklist

- **Secure your account** - Set up your login and security info in the website.
- **Link your personal bank account** for transfers and reimbursements.
- **Download the MyChoice® benefits app** for easy access on the go.
- **Learn** what expenses are eligible under your HSA.
- **Need help?** Ask Sofia or visit your benefits website.

Learn more about your HSA and MyChoice Accounts below.

Access the website

First time logging in? It's quick:

1. Go to [[websiteurl]]
2. Set up two-step authentication (a code sent to your phone or email).
3. Choose your security questions.

Once you're in, you can view your balance, manage settings, and more.

Add your bank account

To move money in or out of your HSA:

1. Log in and go to the **MyChoice Accounts** page:
 1. **On the web:** Look for the piggy bank icon.
 2. **In the app:** Select **Accounts**
3. Click on the **Manage** tab, then select **Bank Accounts**.
4. Click **+Add Account** and follow the instructions.
 1. **Important Note:** You will need to approve a trial deposit to finish the setup. Check your bank account for the deposits, then enter the amounts in the system by selecting **Verify Account**.

Use the MyChoice benefits app

Manage your HSA from your phone. Download it from the [Apple](#) or [Google](#) store and follow the prompts to log in. Then use the personalized QR code on your benefits website to instantly log in - no password needed.

Use your HSA for eligible expenses

Check which expenses qualify by visiting the [MyChoice Accounts](#) website.

Manage your HSA with ease

With the MyChoice website or app, you can:

- See your balance in real time
- Download tax forms and statements
- Set up auto-investing or move money back as needed

[Learn more about HSA investments →](#)

Need help?

- **Ask Sofia[™]:** Your virtual benefits assistant online and in the MyChoice benefits app. If Sofia can't help, she'll connect you to someone who can.
- **Visit us online:** Check out [MyChoice Accounts](#) for all the information you need.

Thanks for being a part of MyChoice Accounts!

Initial Notice - Pend: UMB Letter

UMB

«Date»

«Customer Name»

«Address Line 1»

«Address Line 2»

«City, State, Zip»

Dear <<Customer Name>>,

You are receiving this letter in response to your recent Health Savings Account (HSA) enrollment. Per Section 326 of the USA Patriot Act, UMB is required to verify the identity of individuals who open an HSA.

To complete your enrollment, additional documentation is required to confirm your identity. Please provide copies of the following documents:

- A copy of your state-issued driver's license, state-issued ID or passport to confirm your date of birth.
- A copy of your Social Security card to confirm your Social Security number.

Please note that if we do not receive the documentation necessary to validate your identity, your HSA will not be established.

Send back your documentation using one of the methods below:

- Via email to HSA.CIPSupport@umb.com. If you would like to request a secure email connection, please send a request prior to sending the requested documentation. A secure email will be sent for you to reply to; or
- Via mail to:

UMB Healthcare Services
PO Box 419226
Attn: CIP UPDATE (MS: 1020502)
Kansas City, MO 64141-6226

If you have any questions please contact UMB at 866-520-4HSA (4472) M-F 7 a.m. – 7:30 p.m. or Saturday 8 a.m. – 5 p.m. CT.

Sincerely,

UMB Healthcare Services

UMB Healthcare Services

1010 Grand Boulevard
Kansas City, Missouri 64106


hsa.umb.com

Member FDIC



HSA CIP Communication Examples

Pend: Second Notice - Mailed UMB Letter



<<Date>>
«Customer Name»
«Address Line 1»
«Address Line 2»
«City, State, Zip»

Dear <<Customer Name>>,

You are receiving this letter in response to your recent Health Savings Account (HSA) enrollment. Per Section 326 of the USA Patriot Act, UMB is required to verify the identity of individuals who open an HSA.

We have previously requested additional documentation from you and have not yet received the requested documents. To complete your enrollment, you must provide copies of the following documents:

- A copy of your state-issued driver's license, state-issued ID or passport to confirm your date of birth.
- A copy of your Social Security card to confirm your Social Security number.

Please note that if we do not receive the documentation necessary to validate your identity, your HSA will not be established.

Send back your documentation using one of the methods below:

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Sincerely,

UMB Healthcare Services

UMB Healthcare Services
1010 Grand Boulevard
Kansas City, Missouri 64106
hsa.umb.com
Member FDIC

**SECOND REQUEST
CONCERNING YOUR HEALTH
SAVINGS ACCOUNT
ENROLLMENT**

CIP Fail - MyChoice Accounts Email Notice



Hello! We are currently processing your enrollment for your Health Savings Account.

ACTION REQUIRED

To complete the enrollment in your Health Savings Account, please provide copies of the following documents:

1. A copy of your state-issued driver's license, state-issued ID, or passport to confirm your date of birth.
2. A copy of your Social Security card to confirm your Social Security number.

Please note, if we do not receive the documentation necessary to validate your identity, your HSA will not be established. Financial institutions are required to verify the identity of individuals applying for an HSA.

Please send documentation using one of the secure methods below:

Email:
hsa.cipsupport@umb.com
(If you would like to request a secure email connection, please email that request prior to sending your documentation. A secure email will be sent for your use.)

Mail:
UMB Healthcare Services
PO Box 419226
Attn: CIP UPDATE (MS: 1020502)
Kansas City, MO 64141-6226

The information contained in this message is proprietary and/or confidential. If you are not the intended recipient, please: (i) delete the message and all copies; (ii) do not disclose, distribute or use the message in any manner

NOTE: THIS IS A SYSTEM GENERATED EMAIL. PLEASE DO NOT REPLY TO THIS EMAIL. FOR QUESTIONS, RETURN TO YOUR BENEFITS PORTAL.



Technology, Powered by *People*

Market Leader in Benefits Technology and Innovation



businesssolver.com

