

The documents included in this PDF are provided in the following order. By accepting these documents, you are affirming that you have read and agree to them.

1. Old National Bank Health Savings Account Custodial Agreement
2. Old National Bank Disclosure Statement
3. Old National Bank Resignation Notice, effective November 18, 2022
4. UMB Bank, n.a. Health Savings Account Custodial Agreement, effective November 18, 2022

# HEALTH SAVINGS CUSTODIAL ACCOUNT AGREEMENT

Form 5305-C under section 223(a) of the Internal Revenue Code.

FORM (December 2011)

The account owner named on the application is establishing this health savings account (HSA) exclusively for the purpose of paying or reimbursing qualified medical expenses of the account owner, his or her spouse, and dependents. The account owner represents that, unless this account is used solely to make rollover contributions, he or she is eligible to contribute to this HSA; specifically, that he or she: (1) is covered under a high deductible health plan (HDHP), (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage), (3) is not enrolled in Medicare, and (4) cannot be claimed as a dependent on another person's tax return.

The account owner has assigned the custodial account the sum indicated on the application.

The account owner and the custodian make the following agreement:

## ARTICLE I

1. The custodian will accept additional cash contributions for the tax year made by the account owner or on behalf of the account owner (by an employer, family member, or any other person). No contributions will be accepted by the custodian for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.
2. Contributions for any tax year may be made at any time before the deadline for filing the account owner's federal income tax return for that year (without extensions).
3. Rollover contributions from an HSA or an Archer medical savings account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.
4. Qualified HSA distributions from a health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.
5. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

## ARTICLE II

1. For calendar year 2011, the maximum annual contribution limit for an account owner with single coverage is \$3,050. This amount increases to \$3,100 in 2012. For calendar year 2011, the maximum annual contribution limit for an account owner with family coverage is \$6,150. This amount increases to \$6,250 in 2012. These limits are subject to cost-of-living adjustments after 2012.
2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.
3. For calendar year 2009 and later years, an additional \$1,000 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare.
4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

## ARTICLE III

It is the responsibility of the account owner to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, the account owner shall notify the custodian that there exist excess contributions to the HSA. It is the

responsibility of the account owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

## ARTICLE IV

The account owner's interest in the balance in this custodial account is nonforfeitable.

## ARTICLE V

1. No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).
2. The assets of this account may not be commingled with other property except in a common custodial fund or common investment fund.
3. Neither the account owner nor the custodian will engage in any prohibited transaction with respect to this account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

## ARTICLE VI

1. Distributions of funds from this HSA may be made upon the direction of the account owner.
2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the account owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the account owner's gross income and are subject to an additional 20 percent tax on that amount. The additional 20 percent tax does not apply if the distribution is made after the account owner's death, disability, or reaching age 65.
3. The custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the account owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

## ARTICLE VII

If the account owner dies before the entire interest in the account is distributed, the entire account will be disposed of as follows:

1. If the beneficiary is the account owner's spouse, the HSA will become the spouse's HSA as of the date of death.
2. If the beneficiary is not the account owner's spouse, the HSA will cease to be an HSA as of the date of death. If the beneficiary is the account owner's estate, the fair market value of the account as of the date of death is taxable on the account owner's final return. For other beneficiaries, the fair market value of the account is taxable to that person in the tax year that includes such date.

## ARTICLE VIII

1. The account owner agrees to provide the custodian with information necessary for the custodian to prepare any report or return required by the IRS.
2. The custodian agrees to prepare and submit any report or return as prescribed by the IRS.

## ARTICLE IX

Notwithstanding any other article that may be added or incorporated in this agreement, the provisions of Articles I through VIII and this sentence are controlling. Any additional article in this agreement that is inconsistent with section 223 or IRS published guidance will be void.

## ARTICLE X

This agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the application.

## ARTICLE XI

**11.01 Definitions** – In this part of this agreement (Article XI), the words “you” and “your” mean the account owner. The words “we,” “us,” and “our” mean the custodian. The word “Code” means the Internal Revenue Code, and “regulations” means the Treasury regulations.

**11.02 Notices and Change of Address** – Any required notice regarding this HSA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.

**11.03 Representations and Responsibilities** – You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your HSA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement. We have the right to require you to provide, on a form provided by or acceptable to us, proof or certification that you are eligible to contribute to this HSA, including, but not limited to, proof or certification that you are covered by an HDHP. In no event will we be responsible to determine if contributions made by your employer to your HSA meet the requirements for comparable contributions, the rules of which are set forth in the Code and IRS published guidance.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, investment manager), but we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. In addition, we may allow you to designate an authorized signer to perform various limited transactions on your HSA as specified in a form provided by or acceptable to us. We may rely upon this designation until such time, if any, that we receive a written revocation of the authorization. We will not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent and/or authorized signer, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent and/or authorized signer.

You will have 60 days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents,

statements, or other information will be deemed correct and accurate, and we will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this agreement, we are acting as your agent. You acknowledge and agree that nothing in this agreement will be construed as conferring fiduciary status upon us. We will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this agreement, or as required under the Code and the regulations promulgated thereunder with respect to HSAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney’s fees arising from or in connection with this agreement.

To the extent written instructions or notices are required under this agreement, we may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, electronic communication.

**11.04 Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your HSA. We may release nonpublic personal information regarding your HSA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements. In addition, you also authorize us to release nonpublic personal information and other information relating to your HSA to your employer and those acting on behalf of your employer.

**11.05 Service Fees** – We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your HSA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your HSA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your HSA at our discretion. We reserve the right to charge any additional fee after giving you 30 days’ notice. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this HSA.

Any brokerage commissions attributable to the assets in your HSA will be charged to your HSA. You cannot reimburse your HSA for those commissions.

**11.06 Investment of Amounts in the HSA** – You have exclusive responsibility for and control over the investment of the assets of your HSA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this agreement. We will have no discretion to direct any investment in your HSA. We assume no responsibility for rendering investment advice with respect to your HSA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your HSA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your HSA unless you provide timely written directions acceptable to us.

You will select the investment for your HSA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for HSAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts.) Subject to this Agreement, the HSA Investment Options, Terms and Conditions and the other documentation governing your HSA, we are specifically authorized, if directed by you, to invest your HSA funds in investment type products that are not insured by the Federal Deposit Insurance Corporation. SUCH INVESTMENTS MAY LOSE VALUE AND HAVE NO BANK GUARANTEE. We, as the Custodian, shall have no discretion to direct any such investment nor shall we provide you with any investment advice or offer any opinion to you with respect to the value or suitability of any investment or purchase or sale of securities.

**11.07 Beneficiaries** – If you die before you receive all of the amounts in your HSA, payments from your HSA will be made to your beneficiaries. We have no obligation to pay to your beneficiaries until such time we are notified of your death by receiving a valid death certificate.

You may designate one or more persons or entities as beneficiary of your HSA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each beneficiary designation you file with us will cancel all previous designations. The consent of your beneficiaries will not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary survives you, the contingent beneficiaries will acquire the designated share of your HSA. If you do not designate a beneficiary or if all of your primary and contingent beneficiaries predecease you, your estate will be the beneficiary.

If your surviving spouse acquires the interest in this HSA by reason of being the beneficiary at your death, this HSA (or in accordance with rules established by the IRS, the relevant portion thereof) will be treated as if the surviving spouse is the account owner.

If the beneficiary is not your spouse, the HSA (or in accordance with rules established by the IRS, the relevant portion thereof) will cease to be an HSA as of the date of your death.

Upon learning of your death, we may, in our complete and sole discretion, make a final distribution to a beneficiary (other than your spouse) of his or her interest in the HSA. This distribution may be made without the beneficiary's consent and may be placed in an interest-bearing (or similar) account that we choose.

**11.08 Termination of Agreement, Resignation, or Removal of Custodian** – Either party may terminate this agreement at any time by giving written notice to the other. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your HSA to another financial organization. If you do not complete a transfer of your HSA within 30 days from the date we send the notice to you, we have the right to transfer your HSA assets to a successor HSA trustee or custodian that we choose in our sole discretion, or we may pay your HSA to you in a single sum. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

If this agreement is terminated, we may charge to your HSA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to, one or more of the following.

- Any fees, expenses, or taxes chargeable against your HSA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your HSA

If we are a nonbank custodian required to comply with Regulations section 1.408-2(e) and we fail to do so or we are not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require us to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your HSA to you in cash or property if the balance of your HSA drops below the minimum balance required under the applicable investment or policy established.

**11.09 Successor Custodian** – If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your HSA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your HSA, but only if it is the type of organization authorized to serve as an HSA trustee or custodian.

**11.10 Amendments** – We have the right to amend this agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment, unless within 30 days from the date we send the amendment, you notify us in writing that you do not consent.

**11.11 Withdrawals or Transfers** – All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

We may allow the return of mistaken distributions if there is clear and convincing evidence that the amounts distributed from the HSA were because of a mistake of fact due to reasonable cause. In determining whether this standard has been met, we may rely on your representation that the distribution was, in fact, a mistake.

In no event will we restrict HSA distributions to pay or reimburse only your qualified medical expenses. We may, however, on a case-by-case basis or as a matter of policy, place reasonable restrictions on both the frequency and the minimum amount of distributions from the HSA.

We may establish a policy whereby having a zero balance in your HSA may not cause the HSA to be closed. At our discretion, future contributions may be made to the HSA until you instruct us to close the HSA.

**11.12 Transfers from Other Plans** – We can receive amounts transferred to this HSA from the trustee or custodian of another HSA. In addition, we can accept rollovers of an eligible amount from an Archer MSA. We reserve the right not to accept any transfer or rollover.

**11.13 Liquidation of Assets** – We have the right to liquidate assets in your HSA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your HSA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree to not hold us liable for any adverse consequences that result from our decision.

11.14 **Restrictions on the Fund** – Neither you nor any beneficiary may sell, transfer, or pledge any interest in your HSA in any manner whatsoever, except as provided by law or this agreement.

The assets in your HSA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this agreement.

11.15 **What Law Applies** – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of our domicile will govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this agreement will be construed as a waiver of such provisions or your right or our right thereafter to enforce each and every such provision.

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## GENERAL INSTRUCTIONS

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*Section references are to the Internal Revenue Code.*

### WHAT'S NEW

**Additional Tax Increased** – For tax years beginning after December 31, 2010, the additional tax on distributions not used for qualified medical expenses increases from 10 percent to 20 percent.

### PURPOSE OF FORM

Form 5305-C is a model custodial account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the custodian. The form can be completed at any time during the tax year. This account must be created in the United States for the exclusive benefit of the account owner.

**Do not** file Form 5305-C with the IRS. Instead, keep it with your records.

For more information on HSAs, see Notice 2004-2, 2004-2 I.R.B. 269, Notice 2004-50, 2004-33 I.R.B. 196, Pub. 969, *Health Savings Accounts and Other Tax-Favored Health Plans*, and other IRS published guidance.

### DEFINITIONS

**Identifying Number** – The account owner's Social Security number will serve as the identification number of this HSA. For married persons, each spouse who is eligible to open an HSA and wants to contribute to an HSA must establish his or her own account. An employer identification number (EIN) is required for an HSA for which a return is filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

**High Deductible Health Plan (HDHP)** – For calendar year 2011, an HDHP for self-only coverage has a minimum annual deductible of \$1,200 and an annual out-of-pocket maximum (deductibles, co-payments, and other amounts, but not premiums) of \$5,950. In 2012, the \$1,200 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$6,050. For calendar year 2011, an HDHP for family coverage has a minimum annual deductible of \$2,400 and an annual out-of-pocket maximum of \$11,900. In 2012, the \$2,400 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$12,100. These limits are subject to cost-of-living adjustments after 2012.

**Self-Only Coverage and Family Coverage Under an HDHP** – Family coverage means coverage that is not self-only coverage.

**Qualified Medical Expenses** – Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but only to the extent that such amounts are not compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses.

**Custodian** – A custodian of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

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## SPECIFIC INSTRUCTIONS

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**Article XI** – Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and custodian. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.

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# DISCLOSURE STATEMENT

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## REQUIREMENTS OF AN HSA

A. **Cash Contributions** – Your contribution must be in cash, unless it is a rollover contribution.

B. **Maximum Contribution** – The total amount that may be contributed to your HSA for any taxable year is the sum of the limits determined separately for each month. The determination for each month is based on whether, as of the first day of such month, you are eligible to contribute and whether you have self-only or family coverage under a high deductible health plan (HDHP). If you have self-only coverage, the maximum monthly contribution is 1/12 of \$3,100 (for 2012). If you have family coverage, the maximum monthly contribution is 1/12 of \$6,250 (for 2012). These 2012 limits are subject to cost-of-living increases. In addition, if you have attained age 55 before the close of the taxable year, the annual contribution limit is increased by an additional amount not to exceed \$1,000 each year. The annual limit is decreased by aggregate contributions made to an Archer MSA and by any qualified HSA funding distributions from an IRA deposited into the HSA.

If you become HSA-eligible after the beginning of the year, you may make a full year's contribution up to the statutory contribution limit as long as you maintain eligibility during the testing period. The testing period begins the last month of the initial eligibility year and ends at the end of the 12-month period following that month. If you do not remain eligible during the testing period, you must include in your gross income the contributions made for the months that you were not otherwise eligible and pay a 10 percent penalty tax on the amount.

C. **Contribution Eligibility** – You are an eligible individual for any month if you (1) are covered under an HDHP on the first day of such month; (2) are not also covered by any other health plan that is not an HDHP and that provides coverage for any benefit covered under the HDHP (with limited exceptions); (3) are not enrolled in Medicare; and (4) are not eligible to be claimed as a dependent on another person's tax return.

In general, an HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses. Specifically, an HDHP has an annual deductible of at least \$1,200 (for 2012) for self-only coverage and at least \$2,400 (for 2012) for family coverage. In addition, the sum of the annual out-of-pocket expenses required to be paid (deductibles, copayments, and amounts other than premiums) cannot exceed \$6,050 (for 2012) for self-only coverage and \$12,100 (for 2012) for family coverage. All of these dollar amounts may be adjusted annually for cost-of-living increases.

D. **Nonforfeitable** – Your interest in your HSA is nonforfeitable.

E. **Eligible Custodians** – The custodian of your HSA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

F. **Commingling Assets** – The assets of your HSA cannot be commingled with other property except in a common custodial fund or common investment fund.

G. **Life Insurance** – No portion of your HSA may be invested in life insurance contracts.

## INCOME TAX CONSEQUENCES OF ESTABLISHING AN HSA

A. **HSA Deductibility** – If you are eligible to contribute to your HSA for any month during the taxable year, amounts contributed to your HSA are deductible in determining adjusted gross income up to the maximum contribution limits discussed above. The deduction is allowed regardless of whether you itemize deductions. Employer contributions to your HSA are excludable from your gross income and you cannot deduct such amounts on your tax return as HSA contributions.

B. **Contribution Deadline** – The deadline for making an HSA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your HSA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

C. **Excess Contributions** – An excess contribution is any amount that is contributed to your HSA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

1. **Removal Before Your Tax Filing Deadline.** An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.

2. **Removal After Your Tax Filing Deadline.** If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the HSA.

3. **Carry Forward to a Subsequent Year.** If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

You must file IRS Form 5329 along with your income tax return to report and remit any additional penalty taxes to the IRS.

D. **Tax-Deferred Earnings** – The investment earnings of your HSA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

E. **Taxation of Distributions** – Distributions taken from your HSA to pay for qualified medical expenses or to reimburse you for qualified medical expenses that you already paid are excluded from your gross income. Qualified medical expenses are amounts you pay for medical care (as defined in Internal Revenue Code Section (IRC Sec.) 213(d)) for yourself, your spouse, and your dependents (as defined in IRC Sec. 152), but only to the extent that such amounts are incurred after the HSA was established and are not covered by insurance or otherwise. For a general description of qualified medical expenses, refer to IRS Publication 502, *Medical and Dental Expenses*, available at [www.irs.gov](http://www.irs.gov). Distributions made for purposes other than qualified medical expenses are included in your gross income and are subject to an additional 20 percent penalty tax. This additional 20 percent penalty tax will apply unless a distribution is made on account of (1) attainment of age 65, (2) death, or (3) disability.

Withdrawals from your HSA are not subject to federal income tax withholding.

F. **Rollovers** – Your HSA may be rolled over to another HSA of yours or may receive rollover contributions, provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property between any of your HSAs. The general rollover rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover, please see a competent tax advisor.

1. **HSA or Archer MSA to HSA Rollovers.** Assets distributed from your HSA may be rolled over to an HSA of yours if the requirements of IRC Sec. 223(f)(5) are met. A proper HSA to HSA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may make only one rollover contribution to an HSA during a 12-month period.

Assets distributed from your Archer MSA also may be rolled over to your HSA. A proper Archer MSA to HSA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received.

2. **Written Election.** At the time you make a rollover to an HSA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.
- G. **Qualified HSA Funding Distributions** – If you are eligible to contribute to an HSA, you may be eligible to take a one-time, tax-free HSA funding distribution from your IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of HDHP coverage (i.e., self-only or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. If you do not remain HSA-eligible (for reasons other than death or disability) for 12 months following the transaction, the amount of the transaction is subject to taxation and a 10 percent penalty tax. For further detailed information, see IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.
- H. **Beneficiary Issues** – If you die and your beneficiary is your spouse, your HSA (or the relevant portion thereof) will become your spouse's HSA as of the date of your death.

If your beneficiary is not your spouse, the HSA (or the relevant portion thereof) will cease to be an HSA as of the date of your death.

If the beneficiary is your estate, the fair market value of the account as of your date of death is taxable on your final tax return. For other beneficiaries, the fair market value of the account is taxable to that beneficiary in the tax year that includes the date of death.

## LIMITATIONS AND RESTRICTIONS

- A. **Deduction of Rollovers and Transfers** – A deduction is not allowed for rollover or transfer contributions.
- B. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your HSA, as described in IRC Sec. 4975, your HSA will lose its tax-exempt status and you must include the value of your account in your gross income for that taxable year. Overdrawing your HSA is considered a prohibited transaction.
- C. **Pledging** – If you pledge any portion of your HSA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

## OTHER

- A. **IRS Plan Approval** – The agreement used to establish this HSA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open an HSA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

**An Important Change  
to your HSA Program**

Dear Client,

The purpose of this letter is to inform you that effective November 18, 2022, **Old National Bank (“Old National”)** will resign as the custodian of your health savings account (**“HSA”**) and appoint **UMB Bank n.a. (“UMB”)** as the new custodian of your HSA.

In the coming weeks and months, you will receive important information from UMB regarding the transition process by mail. This information is designed to help you understand the transition process, how it will impact you and what action(s) you may be required to take throughout the process to ensure your HSA is successfully transitioned to UMB. Please read and review this information carefully and retain a copy for your records.

If you have any questions or concerns related to this notice, you are encouraged to contact Old National’s customer service at **888-472-8697, option 1**.

Si desea revisar una copia de este aviso en español, visite [hsa.umb.com/hsaauthority](https://hsa.umb.com/hsaauthority) después del 4 de Octubre, 2022.

It has been our pleasure to serve you.

*Brent Tischler*

Brent Tischler  
CEO, Community Banking  
Old National Bank



## **UMB BANK, N.A. HEALTH SAVINGS ACCOUNT CUSTODIAL AGREEMENT (RETAIN FOR YOUR RECORDS)**

This agreement is made between UMB Bank, n.a. (referred to herein as "we," "us" or the "Custodian") and the individual person (referred to herein as "you" or the "Customer") who completes our HSA enrollment process and satisfies the other requirements we establish in order to open a Health Savings Account ("HSA") with us. We comply with Section 326 of the USA Patriot Act, which requires us to collect and verify certain information about you when processing your account application. We collect your personal information from you and other sources, such as credit bureaus, affiliates or other companies. You are establishing this Health Savings Account under Section 223(a) of the Internal Revenue Code (the "Code") exclusively for the purpose of paying or reimbursing your qualified medical expenses or those of your spouse and dependents. You represent that, unless this account is used solely to make rollover contributions, you are eligible to contribute to this HSA; specifically, that: (1) you are covered under a High Deductible Health Plan (HDHP); (2) you are not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage); (3) you are not enrolled in Medicare; and (4) you cannot be claimed as a dependent on another person's tax return. You have made (or may make) an initial cash contribution to the custodial account as specified during the HSA enrollment process. The initial deposit, any additional contributions, and any earnings thereon shall be subject to the terms of this agreement. Customer and Custodian make the following agreement:

### **ARTICLE I**

- Your HSA Custodial Account with UMB Bank, n.a. consists of all funds you, your employer, a family member or any other person contributes to your HSA, all investments you make with or through Custodian using those funds, and all earnings on those funds. Contributions must be made in cash and must be delivered to us in a manner acceptable to us.
- We may refuse to accept contributions to the Custodial Account that exceed the maximum annual contribution amount for family coverage plus the catch-up contribution as established by the Internal Revenue Service of the United States of America (the "IRS").
- Contributions for any tax year may be made at any time before the deadline for filing your federal income tax return for that year (without extensions).
- Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this agreement) are not subject to the maximum annual contribution limit set forth in Article II.
- Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit stated in Article II.

### **ARTICLE II**

- The maximum annual contribution limit for a Customer is an amount established by the IRS for each year (depending on whether you have single coverage or family coverage). These limits are subject to cost-of-living adjustments each year.
- Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.
- Certain additional catch-up contributions may be made for a Customer who is at least age 55 or older and not enrolled in Medicare.
- Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, catch-up contributions are not subject to an excise tax.
- We will treat any contribution made between January 1 and April 15 as a contribution for the current taxable year unless you provide written notice to us at the time of the contribution that the contribution is for the preceding taxable year.

### **ARTICLE III**

- It is your responsibility to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, you agree to notify us that there exist excess contributions to the HSA. It is your responsibility to request the withdrawal of the excess contributions and any net income attributable to the excess contributions. There will be a service charge for any request to withdraw excess contributions made using a written UMB Withdrawal Form. Please see your Health Savings Account Terms and Conditions for details.

### **ARTICLE IV**

- Your interest in the balance in this custodial account is nonforfeitable.

### **ARTICLE V**

- All contributions to your HSA will be made to an interest-bearing deposit account at UMB ("HSA Deposit Account").
- You agree that we are only acting as Custodian. You understand that we are not providing investment advice by offering the HSA or the HSA Deposit Account and that we do not express any opinion on whether it is suitable for you to hold contributions in, or make contributions to, the HSA Deposit Account.
- You may have an investment option as part of your HSA. If you want to utilize any investment option you must execute a separate agreement and separate terms and conditions will govern your investment option. The terms and conditions for any investment option will describe the fees UMB may receive, if any, in connection with those investments, the specific investments available to you and a general description of such investments, any minimum balance requirements for participating in such investments, how you may select individual investments, and other important disclosures. If you have an investment option the terms and conditions applicable to that investment option are available through your HSA online platform. You agree that you have the sole and exclusive right to direct investment of your HSA account balance.
- You agree that we have no discretion to act on your behalf. We are not responsible or liable for any investment decision you make or any investment loss you may suffer. We are not responsible for any loss that results when we do not act because you did not direct us to take an action. You agree to hold us harmless and to indemnify and defend us against any and all claims arising from and liabilities incurred by reason of any action we take in good faith under this agreement. You also agree that we are not liable for and you will hold us harmless for the acts and omissions of third parties, including those we select, to the extent permitted under applicable law.
- When investments in the investment account are liquidated, the funds must be credited back to your HSA Deposit Account. If we receive an investment instruction that we do not understand, we will make reasonable efforts to contact you promptly to clarify your instruction. However, we will hold your contributions in the HSA Deposit Account until we receive clarification from you, without liability for loss of income or appreciation and without liability for interest or dividends or for market losses.
- No part of the custodial funds in this HSA may be invested in life insurance contracts or in collectibles as defined in Section 408(m) of the Code.
- The assets of this HSA may not be commingled with other property except in a common trust fund or common investment fund.
- Neither we nor you will engage in any prohibited transaction with respect to the account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in Section 4975 of the Code).

### **ARTICLE VI**

- Distributions of funds from this HSA may be made upon your direction, subject to the limitations described in any product-related materials that may be provided to you as part of the enrollment package or as otherwise permitted by us. A transfer of funds from your HSA Deposit Account to another investment made available through Custodian is not considered a "distribution," and remains subject to this Custodial Agreement.
- Distributions from this HSA that are used exclusively to pay or reimburse your qualified medical expenses or those of your spouse or dependents are not subject to Federal income tax. However, distributions that are not used for qualified medical expenses are included in your gross income and are subject to an additional 20 percent tax on that amount. The additional 20 percent tax does not apply if the distribution is made after your death, disability, or reaching age 65.
- We are not required to determine whether any distribution is for payment or reimbursement of qualified medical expenses. Only you are responsible for substantiating that the distribution is for qualified medical expenses. You must maintain records sufficient to show, if required, that the distribution is tax-free. You assume full responsibility for determining the tax consequences of any distribution.
- You represent and warrant that each distribution initiated by you or by any person authorized to make withdrawals from the account will be a "normal distribution" (i.e., for qualified medical expenses) for purposes of our tax reporting to the Internal Revenue Service ("IRS"), unless you give us written notice to the contrary within 7 days following such distribution. Unless we have received such written notification, we will report each such distribution to the IRS as a normal distribution.

### **ARTICLE VII**

- If you die before the entire interest in the HSA is distributed, the entire HSA will be disposed of as follows: (1) if the beneficiary is your spouse, the HSA will become your spouse's HSA as of the date of your death (subject to our consent and your spouse's completion of applicable documents we may require); or (2) if the beneficiary is not your spouse, the HSA will cease to be an HSA as of the date of your death. If the beneficiary is your estate, the fair market value of the HSA as of your date of death is taxable on your final return. For other beneficiaries, the fair market value of the HSA is taxable to that person in the tax year that includes your date of death.
- You have the right at any time, and from time to time, to designate one or more beneficiaries to whom distribution of the HSA shall be made upon your death. To be valid, any such beneficiary designation must be delivered to us prior to your death on a form provided by or acceptable to us. Any designation of beneficiary form that you file with us will apply to all funds in your HSA. This includes funds in your HSA Deposit Account as well as any other investments you make through us with your HSA. You may revoke any such beneficiary designation at any time, and a designation will be automatically revoked upon receipt by us of a subsequent beneficiary designation in valid form bearing a later execution date.
- In the absence of a valid beneficiary designation on file with us at the time of your death, or if all of the designated beneficiaries shall have predeceased you, we will, upon notice of your death, distribute the custodial account to your estate.
- We have no duty, obligation or responsibility to make any inquiry or conduct any investigation concerning the identification, address, or legal status of any individual or individuals alleging the status of beneficiary nor to make inquiry or investigation concerning the possible existence of any beneficiary, claim, or election not reported to us prior to the distribution of the account. Upon full and complete distribution of the custodial account pursuant to the provisions of this Article, we shall be fully and forever discharged from all liability respecting such account.
- We may presume that a beneficiary is legally competent until we receive written notice to the contrary. Whenever any distribution hereunder is payable to a person known by us to be a minor or otherwise under a legal disability, we in our sole discretion may make all or any part of such distribution to: (1) a legal guardian or conservator for such person; (2) a custodian under the Uniform Transfers to Minors Act, including any person or entity designated as such by us if such designation is permitted by applicable law; (3) a parent of such person; or (4) such person directly.

### **ARTICLE VIII**

- You agree to provide us with information necessary for us to prepare any report or return required of a custodian by the IRS.
- We agree to prepare and submit any report or return as prescribed by the IRS for custodians of HSAs.
- Except for any reporting requirements placed on custodian by the IRS, you have complete responsibility for reporting to the IRS all contributions to and distributions from the HSA, and for the tax consequences of all such contributions and distributions, including but not limited to rollovers, transfers, excess contributions and prohibited transactions. You acknowledge that we have not, and will not, provide any tax advice in connection with the HSA, and that you should consult with your own tax advisor for any such advice.
- You are responsible for the payment of any taxes or penalties of any kind that may be assessed against the HSA.
- You acknowledge that our reports to the IRS will be based on information furnished by you, and you agree to indemnify us for any liabilities, taxes, interest or penalties we incur as a result of filing a report based on incorrect or insufficient information you furnish.

### **ARTICLE IX**

- This agreement will be amended by us from time to time to comply with the provisions of the Code or IRS published guidance, and any such amendment may be made retroactively and without your consent. We may also amend this agreement by sending notice of an amendment to you. You will be deemed to have consented to any such amendment unless you notify us in writing within thirty (30) days from the date we mail the amendment to you, and you thereafter transfer your account to a new custodian promptly.

### **ARTICLE X**

- We may resign at any time for any reason upon 10 days' written notice to you. Upon such resignation, you may appoint another qualified HSA custodian to whom the HSA assets shall be delivered. If you have not instructed us to deliver the HSA assets to a successor custodian within 10 days of our notice of resignation, we will pay the HSA assets to you.
- If any provision contained in this agreement is or at any time should become inconsistent with any present or future law, rule or regulation governing HSAs, that provision shall be deemed to be superseded or modified to conform to such law, rule or regulation, but in all other respects this agreement shall continue in full force and effect. Likewise, if any provision of this agreement should be held invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision, and the remainder of this agreement shall be carried out as if such invalid or unenforceable provision were not contained herein.

**ARTICLE XI**

- All questions arising with respect to the provisions of this agreement shall be determined by application of the laws of the State of Missouri except to the extent Federal law supersedes Missouri law.

**ARTICLE XII**

- Your HSA Deposit Account is FDIC-insured to the extent provided by law and is governed by the terms of the Health Savings Account Deposit Account Terms and Conditions, which are printed below. The Deposit Account Terms and Conditions are incorporated herein by reference.
- For the fees specified in the Health Savings Account Deposit Account Terms and Conditions, we provide the services specified herein and in the Deposit Account Terms and Conditions.
- You should be aware that these other investments (other than your HSA Deposit Account):
  - 1) are not deposits or obligations of, and are not guaranteed by UMB or any other financial institution;**
  - 2) are not insured by the FDIC or any other government agency; and**
  - 3) involve investment risks, including the possible loss of principal.**