Health Savings Account

Add a beneficiary

Don’t forget to add a beneficiary to your HSA

What happens to your Health Savings Account (HSA) at the time of your death depends on who is designated as the beneficiary. If no beneficiary is designated, the HSA becomes part of your estate. Additional documentation will be required, and the balance may be subject to additional taxes.

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When the beneficiary is not your spouse, the HSA ends on the date of your death. The money in the account generally becomes taxable income to the beneficiary in that year. If the HSA is payable to your estate instead, the estate may use the funds tax-free to pay for qualified medical expenses you incurred before your death, as long as you kept the receipts and the expenses hadn’t already been reimbursed by the HSA.

Instructions are included below for designating a beneficiary and requesting distribution from the account. If we do not receive a request for distribution, the account will be moved to an individual account and will be subject to administrative fees. The account will be transferred to the state of the owner’s last known residence (in a process called escheatment) if it is deemed to be abandoned according to the applicable rules of that state.

How to add a beneficiary

To add or update a beneficiary for your HSA, log in to your online account and navigate to the Profile Summary under the Accounts tab. You can also download the Health Savings Account (HSA) Death Beneficiary Change Form from the Videos & Forms tab. This form must be completed, signed, and notarized before returning it to us.

Spousal beneficiary designation

In some states you may need to designate your spouse as your primary beneficiary. If you are married but want to assign someone other than your spouse as the beneficiary of your HSA account, you must complete the Spousal Consent portion of the Health Savings Account (HSA) Death Beneficiary Change Form.

Trusts and charities

To add a trust as a beneficiary, you will need to provide your trust documentation along with the Health Savings Account (HSA) Death Beneficiary Change Form. To add a charity as a beneficiary, you will need the charity’s Tax Identification Number (TIN) or Tax ID to complete the form.

HSA Beneficiary Options & Distribution Requirements

	Options*	Requirements for Distribution
When your spouse is your designated beneficiary	If your spouse is your designated beneficiary, the HSA will be closed and the money will be distributed via a check. Your spouse then has 60 days to open a new HSA in their name. They can use it tax free for their own medical expenses and not be required to have an HSA-eligible health insurance policy. If the check is not deposited in an HSA, taxes would apply.	**To request a distribution, we must obtain:** • A notarized copy of the death certificate • A completed and signed Health Savings Account (HSA) Death Distribution Form* • A state-issued ID of the individual requesting the distribution
When someone other than your spouse is designated	If someone other than your spouse is the designated beneficiary, the HSA will be closed and the money will be taxable to the beneficiary or beneficiaries. The taxable amount may be reduced by any payments made for qualified medical expenses you incurred before your death, provided the payments are made within one year after your death.	**To request a distribution, we must obtain:** • A notarized copy of the death certificate • A completed and signed Health Savings Account (HSA) Death Distribution Form* • A state-issued ID of the individual requesting the distribution • The form must be signed by ALL beneficiaries in order to process the distribution request • We cannot distribute a partial amount
When no beneficiary is designated	If you do not designate a beneficiary for your HSA, the money will be included in your estate and the value will be taxable on your final income tax return.	**To request a distribution, we must obtain:** • A notarized copy of the death certificate • A completed and signed Health Savings Account (HSA) Death Distribution Form* • Additional documentation confirming the identity of the executor of the estate in the form of a small estate affidavit, a letter from an attorney, or a document from the court

*The Health Savings Account (HSA) Death Distribution Form may be found in your online portal.

The information in this document is for educational purposes only. It is not intended as tax, legal, or financial advice. For guidance specific to your situation, you should consult your own legal counsel, tax advisor, or financial professional.

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