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11/15/2023

An important change is coming to your HSAToday & Summit HSA Accounts

Dear Account Holder,

The purpose of this letter is to inform you that effective January 1, 2024, **National Advisors Trust of South Dakota, Inc. (NATSD)** will resign as the custodian of your **Health Savings Account (HSA)** and appoint **DataPath Financial Services, Inc. (DFS)**, an IRS-approved HSA non-bank custodian, as the new custodian for your HSA. DFS is the sister company of DataPath, Inc., provider of HSAToday Software Banking Platform supporting your HSA administrator and your current HSA. You can view a copy of the IRS's notice approving DFS to serve as a non-bank HSA custodian at [https://myhsatoday.com/custodianconversion/DFS\\_IRS\\_Approval\\_Letter\\_110123.pdf](https://myhsatoday.com/custodianconversion/DFS_IRS_Approval_Letter_110123.pdf).

This letter includes important information to help you understand the change of custodian process. Please review this letter carefully and keep it for future reference. DataPath Financial Services has also made the information contained in this letter available to you at <https://myhsatoday.com/members/>.

In the coming weeks, you will receive step by step guidance from DFS, which will include your new DFS custodial account agreement. The DFS custodial account agreement will include the new terms and conditions of your HSA with DFS as custodian. Please take a time to review the DFS custodial account agreement as well as the other items contained in the information packet from DFS. Below are answers to some frequently asked questions and key dates you need to know:

#### **How will NATSD resignation impact access to my HSA?**

NATSD and DFS will implement two blackout periods to ensure your HSA is successfully transferred to the new custodian. A blackout period refers to a period of time during which an account's functions will be temporarily restricted.

NATSD will have a black-out period for trading on investments, December 22 through January 1, 2024. During this period, you will not be able to submit trades while your funds balances are transferred to the DFS Custodian.

A second black-out period will begin 3pm, December 29 through January 1. During this period, online access to the savings account portal will be disabled. Beginning 5pm, Monday, January 1, 2024, the account portal will be available again and your new DFS HSA account will be viewable. Please note there may be a short delay in new deposits depending on when your employer's payroll day occurs.

Your HSAToday DebitCard will continue to work with no interruption of service resulting from the account transition. If a debit card transaction is presented during this transition period, the transaction will be posted to your HSA by DFS, as the new custodian, on or after January 1, 2024.

You should print any account or tax statements you need prior to the beginning of the blackout. Following the black-out access to account and tax statements will resume.

On January 2, 2024, your HSA balance and all account functionality, including online and mobile features, will be available to you through the HSA Portal. At this time, you will be able to access online and mobile features, with the exception of some investment functionality.

**Will I be charged an account closure fee?**

No. Any account closure fee associated with your HSA will not be charged, unless you decide to close the account before or after the transition period. Before December 19, 2023 or after January 1, 2024.

**How will NATSD resignation impact contributions to my HSA?**

Contributions will continue to be posted normally through December 29, 2023. Contributions applied to the 2023 tax year will be posted toward your HSA at NATSD and any 2024 tax year contributions will be automatically posted to your new DFS HSAToday account.

HSA payroll contributions and online post-tax contributions received after December 29, 2023, will be directed to your DFS HSA. You will be able to access the funds from these contributions once the contribution is completed by your employer.

**How will NATSD's resignation impact access to my investments?**

New & Existing Investors

Beginning 3pm, December 29, 2023, NATSD will implement a blackout period at which time you will be unable to complete new enrollments in the investment platform. Access to sign-up for Investments will resume by January 1, 2024. New Investors will be able to sign-up for investments through December 29, 2023

If you close your account prior to the year-end, you must close and liquidate your investments prior to December 19, 2023. Otherwise, your investment positions will be carried over to the new DFS custodian. Submit your close request with a signed Closure form by Monday December 18, 2023.

*Please note that your investments are subject to market fluctuations and could lose value. The black-out period is an unavoidable requirement in order to move your account. Neither DFS nor NATSD are liable for any losses in the value of your investments associated with the timing of the sale of your investments or the movement of invested positions to your new custodian.*

**What investment options will be available to me with DFS?**

Following the transfer of your savings and investments to DFS, the same investment options and allocation models will be available. The only exception is if a fund closes or merges with another mutual fund. DFS will provide you with information regarding investing in your DFS HSA, including the terms and conditions applicable to investing within the HSAToday Investment Allocation Models.

Investments on the DFS platform will be subject to a fixed monthly investment fee of \$3.00. Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by DFS. Investing is not suitable for everyone and before making any investments, review the fund's prospectus.

**Will I get a new debit card?**

No. Your current debit card will continue to work with the new DFS account. This is one of the benefits of moving to DFS and staying on the same HSA banking platform. Of course, new enrollment will receive a new card. For HSA account owners, your existing debit card will continue to be active through-out the conversion period, including black-outs.

**Will the fees on my account change when DFS becomes my HSA custodian?**

HSA assets that are not invested will be transferred to a custodial cash account at DFS and will be subject to DFS's custodial agreement and fee schedule. The per account per month ("PAPM") fee that is applicable to your HSA will not change as a result of the transfer of your HSA to DFS. However, your current fee schedule is being replaced with the fee schedule included with this letter (which will be updated from time to time). The fees may differ from the fees that are currently applicable to your HSA.

The DFS custodial agreement describes revenue that DFS receives from HSAs. The PAPM that your HSA Administrator

charges will continue.

See the enclosed DFS Fee Schedule for additional information regarding fees which will be applicable to your HSA.

**What if I do not want DFS to be my HSA custodian?**

If you do not want DFS to be the custodian of your HSA, you must complete one of the following two actions on or by December 18, 2023:

**1.) Transfer the funds in your HSA to another qualified health savings account custodian**

To request the funds in your HSA be transferred to a qualified health savings account custodian, contact the custodian of the health savings account where the funds will be transferred to obtain direction for completing the transfer. Transferring the funds in your HSA to another HSA custodian will result in a fee. Refer to your NATSD Custodial Agreement to determine the amount of the fee. Please note, all investment funds must be liquidated before the transfer is completed.

**2.) Close your HSA and request the funds be distributed to you.**

To request your HSA be closed and the funds in the HSA distributed to you, contact your HSA Administrator to obtain the 'HSA Closure Request' form. You can also request this form by contacting your employer's HR Department. Please note, liquidating, or closing, your HSA will result in a fee and/or affect your tax liability. Refer to your NATSD Custodial Agreement to determine the amount of the fee. Contact your tax professional for more information regarding your tax liability. All investment funds must be liquidated before the account is closed.

**What happens if I do nothing?**

If you do nothing NATSD will appoint DFS as the new custodian of your HSA, any investments in your HSA and your HSA cash balance, will be automatically transferred to DFS.

**How will I receive statements and tax documents from my HSA?**

Your final statement from NATSD will be mailed to you by the end of January 2024. This statement will reflect any activity that occurred through December 31, 2023.

NATSD will also provide tax documentation for the time NATSD was the custodian of your HSA during the 2023 tax year. DFS will provide tax documentation beginning in tax year 2024. Please consult with your accountant or tax professional to ensure proper use of the tax documents.

## Key Dates You Need to know

Starting 11/15/2023	You will receive email notifications periodically of the upcoming conversion event. In those emails, additional information will be provided including this Key Dates List.
12/1/2023	Your Employer group will be requested to provide updated address and contact information about your account. You may also see an email notice requesting you to update your contact information.
12/18/2023	Cut-off date for Employer Groups transferring out of NATSD to another Custodian. If you're a part of an employer who is moving to a new custodian, this is the last date we will receive notice and process prior to year-end. If after this date, then your account maybe transferred to the new DFS Custodian. After which, your account can be transferred out.
12/18/2023	Cut-off date to close your NATSD account individually. After this date, your account balances will automatically be sent to the new DFS Custodian
12/21/2023	Last day to invest through NATSD. After 3pm CST 12/21 online investment trading through your Account Portal will be suspended until January 2, 2024.
12/22/2023	Investment Black-out Period begins. Online investing will be disabled until January 2, 2024. This period of time is required for NATSD to transfer your investment balances to the new Custodian.
12/29/2023	Account Owners can continue sign-up for investments through 12/29/2023, although they will not be able to submit a trade until 1/2/2024. After 3pm on 12/29, access to sign-up will be temporarily disabled. Any new contributions will automatically be posted to your Savings.
12/29/2023	Last date contributions can be entered for NATSD. Any contributions with a 2024 tax year will be automatically forwarded to your new DFS Custodian. Any 2023 tax year contribution will be posted to NATSD.
12/30/2023	Full black-out of all HSA services until January 1, 2024. During this year-end weekend, your account will be converted and transferred to the DFS Custodian
1/2/2024	All blackout periods conclude.  The entirety of your HSA balance will be accessible.  All account administration functionality will be available through the DFS website, including investment options available to eligible members.

If you have additional questions regarding this process, please contact your Administrator Customer Care from 8am – 5pm CT Monday through Friday.

If you have questions about your new HSA custodian, please contact DFS Member Services at **888-665-1264**.

**It has been our pleasure to serve you and we look forward to providing you quality account services at DataPath Financial Services**

Sincerely,

NATSD

# DataPath Financial Services Account Disclosure

## Earnings Rate & Fee Schedule

Effective as of January 1, 2024

### How we determine your deposit rate

Each month your interest earned is determined by calculating the daily balance and daily rate for each day of the month using the rate schedule below. The daily rate is multiplied by the principal in the account to get the daily interest earned. The sum of each day's interest becomes the posted deposit earnings for the month. Interest accrues on deposits the day of credit to your account and is compounded monthly. The interest rate and APY is based on your account balance.

<u>Daily Balance<sup>(1)</sup></u>	<u>Rates as of 1/1/2024<sup>(2)</sup></u>
\$50000 or higher	0.650%
\$35000 to 49999.99	0.400%
\$15000 to 34999.99	0.250%
\$7500 to 14999.99	0.100%
\$500 to 7499.99	0.050%
\$0.00 to 499.99	0.000%

### Additional Banking Services<sup>(3)</sup>

Monthly Investment Option (Investment Threshold is \$1000.00)	\$3.00	<b>Included with your HSA Today® Account...</b>	
Deposit Return unpaid	\$15.00	Online Account Access	No charge
Overdraft/NSF per item	\$22.50	Online Monthly Savings Statements	No charge
Debit Card Reissue Fee (per card)	\$5.00	Online Monthly Investment Statements	No charge
Withdrawal by paper check	\$3.00	Regular Distributions by EFT	No charge
Close Account Fee	\$25.00	Annual Statement by Mail	No charge
Balance Transfer Fee (Trustee-to-Trustee)	\$15.00	Form 1099-SA & 5498-SA by Mail	No charge
Stop Payment per item	\$25.00		
Wire Transfer (Individual or Employer)	\$15.00		
Monthly Statement by mail	\$3.00		
Copy of Check, Statement, 1099, 5498	\$5.00		
Corrected IRS Filing Fee (non-banking error)	\$10.00		

These are retail rates charged directly to the Individual HSA by the Custodian.

**How we calculate account earnings** - Each month your interest earned is determined by the daily balance and daily rate for each day of the month using the above rate schedule. The daily rate is multiplied by the principal in the account for each day to get the daily interest earned. The sum of each day's interest becomes the posted deposit earnings for the month. Interest accrues on deposits the day of credit to your account and is compounded/posted to your account monthly. The interest rate and APY is based on your account balance.

**How we handle interest upon Account Closure** - If the account is closed on the 1<sup>st</sup> day of the month, there are no earnings accrued to post. The account is closed and the full balance less pending fees, distributions, or card authorizations, will be distributed. If the account is closed after the 1<sup>st</sup> day of the month, the system will determine the interest accrued based on the number of days the account was active during the month. This amount is automatically posted to the account prior to the final distribution.

**Minimum Deposit for New Accounts** - No minimum balance or initial deposit requirements apply to this account.

**Overdrafts** - Overdrafts resulting from checks or ACH transactions will be charged an overdraft/NSF fee directly to the health savings account (see above fee schedule). Overdrafts caused by debit card transactions will not be charged an overdraft/NSF fee. Overdrafts caused by investment purchase that results in a transfer from savings, will not be charged an Overdraft/NSF fee. ATM transactions are not allowed on this account.

### Please Note

HSA Today™ deposit account offered by DataPath Financial Services, Inc., through Centennial Bank, Member FDIC  
HSA Today™ Savings Account is FDIC and can include short-term US Treasuries.

HSA Today™ Investment Account not guaranteed by Custodian nor insured by FDIC. May lose value.

For Current Rate and Fee information please visit our website, [www.myhsatoday.com/nat](http://www.myhsatoday.com/nat).

For more details regarding the general terms and conditions that apply to your HSA, please see the Custodial Account Agreement and Disclosures for Health Savings Accounts.

<sup>(1)</sup> The first \$500.00 in your account does not earning interest

<sup>(2)</sup> Interest Rates are subject to change at any time

<sup>(3)</sup> Fees may reduce earnings