



What will Happen to the Money in my Health Savings Account (HSA) When I Die?

It's very important that you designate one or more beneficiaries to receive the funds in your HSA upon your death. If you haven't already done so, please complete our HSA Beneficiary Designation form which you'll find [here](#).

If you've already submitted this form, please log in to your account and ensure that the information regarding your beneficiaries is up to date. *

You can designate one or more individuals as the HSA beneficiary(ies), such as your spouse, adult children, other relatives, or friends. If you've created a trust, you can designate the trust as a recipient of your HSA funds. You can also name a nonprofit organization or other entity as your HSA beneficiary.

If you have designated your surviving spouse as the beneficiary, your spouse must open a separate HSA at Sterling in his/her own name so that the funds remaining in your account can be transferred to it. Your spouse will then be able to take tax-free distributions from the account to pay for eligible healthcare expenses. If your spouse is enrolled in an HSA-qualified health plan, he/she can also continue to make contributions to the account.

Should you designate a non-spouse beneficiary, your account will no longer be an HSA on the date of your death. Sterling will distribute the funds in your account to your named beneficiaries.

If you have not named a beneficiary, your HSA will be terminated and the money in the account will be distributed to your estate.

Whether or not you have designated a beneficiary, the funds in your HSA can be used for up to one year following your death to pay the qualified healthcare expenses you incurred.

You should keep the following considerations in mind when choosing your HSA beneficiary(ies):

- Your HSA funds may be subject to tax depending on whom you designate as the beneficiary. Sterling does not provide tax or legal advice. Please refer tax-related questions to your tax or legal advisor.
- Certain states require the consent of your spouse if he or she is not a named account beneficiary.

*. If you would like to change your beneficiary designation(s), log in to your account; select the blue "Beneficiary" button on the left-hand navigation bar; and click to complete the form.

If you have questions regarding the treatment of an HSA when the Account Holder dies or if you are an account beneficiary with questions regarding the distribution of HSA funds, please contact

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