

**PNC BENEFIT PLUS HEALTH SAVINGS ACCOUNT DISCLOSURE STATEMENT AND  
CUSTODIAL ACCOUNT AGREEMENT AND PRIVACY POLICY**

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## **Health Savings Account (HSA) Disclosure Statement**

**This Disclosure Statement provides information, as set forth by federal tax regulations, regarding health savings accounts. You should read this Disclosure Statement, the Custodial Account Agreement, the Health Savings Account Fee Schedule, and the prospectus (es) for the fund (s) available in the PNC Benefit Plus HSA.**

**PLEASE CAREFULLY READ THE ARBITRATION PROVISION LOCATED ON PAGES 36-38.**

### **WHO IS ELIGIBLE TO ESTABLISH AN HSA?**

Contributions can be made to an HSA for any taxable year if the individual is an “Eligible Individual.” The account owner is responsible for determining whether he or she is an Eligible Individual, whether the health plan is a High Deductible Health Plan (HDHP) and the permissible amount of the annual HSA contributions. The HSA custodian or trustee may, but is not required to, require proof or certifications that the account owner is an Eligible Individual, including that the individual is covered by a health plan that meets all of the requirements of an HDHP.

### **HSA BENEFITS (IRS Publication 969)**

You can claim a tax deduction for contributions you, or someone other than your employer, make to your HSA even if you do not itemize your deductions on Form 1040.

Contributions to your HSA made by your employer may be excluded from your gross income. The contributions remain in your account from year to year until you use them.

The interest or other earnings on the assets in the account are tax free.

Distributions may be tax free if they are used to pay Qualified Medical Expenses. See Qualified Medical Expenses, later.

An HSA is “portable” so it stays with you if you change employers or leave the work force.

### **DEFINITIONS**

#### **Account Owner**

An account owner is the individual (person or applicant) who establishes an HSA account under the HSA program and who is also considered an “Eligible Individual.”

#### **Application**

The application furnished by the Custodian used to establish the Account. The Application is deemed to be a part of this Agreement.

#### **Archer MSA**

An Archer MSA is a Medical Savings Account described in Section 220 of the Code.

#### **Bank**

References to the “Bank,” “we,” “us” and “our” mean PNC Bank, National Association.

**Bank Portion**

The HSA Bank Portion is an FDIC-insured, interest-bearing bank account with an FDIC member bank.

**Card**

Card refers to the PNC BeneFit Plus Debit Card issued to you or card(s) issued on your behalf to your spouse or your Dependents.

**Code**

Code refers to the Internal Revenue Code of 1986, as amended.

**Custodial Account**

Custodial Account refers to the health savings account (“HSA” or “Account”), which is a tax-exempt custodial account exclusively for the purpose of paying or reimbursing Qualified Medical Expenses of the account owner, his or her spouse, and Dependents.

**Custodian**

References to the “Custodian” means PNC Bank, National Association

**Dependents**

Dependents include any individuals who receive over half of their support for the calendar year from the taxpayer as defined in Section 152 of the Code.

**Designated Beneficiary**

The person or persons named by the Account Owner as beneficiary of the Account upon the death of the Account Owner.

**Eligible Individual**

The term “Eligible Individual” means, with respect to any month, any individual who:

- (a) is covered under a HDHP as of the first day of such month;
- (b) is not also covered under any other health plan that is not a HDHP while being covered by the HDHP;
- (c) is not enrolled in Medicare; and
- (d) cannot be claimed as a dependent on another person’s income tax return.

The rule that requires that the employee not be covered under any other health plans does not include:

- (a) coverage for any benefit provided by Permitted Insurance (see below for definition); and
- (b) coverage (whether through insurance or otherwise) for accidents, disability, dental care, vision care,
- (c) or long-term care.

**Employer**

Employers include the individual’s employer, the spouse’s employer, or a self-employed individual. Employers that are members of a controlled group under Section 414 of the Code are considered a single employer for purposes of these rules.

**Flexible Spending Arrangement/Account (FSA)**

A flexible spending plan described in Section 125 of the Code.

**Health Reimbursement Arrangement (HRA)**

A healthcare reimbursement arrangement described in Sections 105 or 106 of the Code.

**Health Savings Account (HSA)**

A health savings account described in Section 223 of the Code.

**High Deductible Health Plan (HDHP)**

An HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses. In the case of self- only coverage, the High Deductible Health Plan's annual deductible cannot be less than \$1,350 (2019) and \$1,400 (2020). In the case of any other coverage (family coverage), the annual deductible cannot be less than \$2,700 (2019) and \$2,800 (2020).

The sum of the annual deductible and the other annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits may not exceed \$6,750 for 2019 and \$6,900 for 2020 for self-only coverage, and \$13,500 for 2019 and \$13,800 for 2020 for family coverage. In the case of family coverage, a plan is an HDHP only if, under the terms of the plan and without regard to which family member or members incur expenses, no amounts are payable from the HDHP until the family has incurred annual covered medical expenses in excess of the minimum annual deductible. A plan does not fail to be an HDHP merely because it does not have a deductible (or has a small deductible) for certain preventive care. Except for certain preventive care, a plan may not provide benefits for any year until the deductible for that year is met.

An HDHP shall not include a plan where substantially all of the coverage is for accidents, disability, dental care, vision care, or long-term care. Also, an HDHP shall not fail to be treated as an HDHP merely because the individual has coverage for any benefit provided by Permitted Insurance, (as defined below). See *High Deductible Health Plan and Preventive Care Safe Harbor*, later.

**Medical Care**

Medical Care includes amount paid for the types of care described in Section 213(d) of the Code.

**Permitted Insurance**

Permitted Insurance is insurance under which substantially all of the coverage provided relates to liabilities incurred under workers' compensation laws, tort liabilities, liabilities relating to ownership or use of property (e.g., automobile insurance), insurance for a specified disease or illness, and insurance that pays a fixed amount per day (or other period) of hospitalization as described in Section 223(c)(3) of the Code.

**Qualified Medical Expense**

Qualified Medical Expenses include amounts paid with respect to the individual, the individual's spouse, and the individual's Dependents, for Medical Care if such amounts are not compensated for by insurance or otherwise. Qualified Medical Expenses do not include any payment for insurance, except in the following cases:

- (a) a health plan during any period of continuation coverage required under any Federal law;
- (b) a qualified long-term care insurance contract (as defined in Section 7702B(b) of the Code);
- (c) a health plan during a period in which the individual is receiving unemployment compensation under any federal or state law; or
- (d) in the case of an Account Owner who has attained the age specified in section 1811 of the Social Security Act, any health insurance other than a Medicare supplemental policy (as

defined in Section 1882 of the Social Security Act).

### **Transaction**

Any consumer banking transaction, including a deposit, withdrawal, transfer or purchase, that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a debit or credit to the Account. This includes use of the Card to make purchases or establish preauthorized recurring Transactions.

### **IMPORTANT INFORMATION ABOUT U.S. GOVERNMENT REQUIREMENTS THAT MAY AFFECT YOUR ACCOUNT**

PNC Bank, National Association, (“PNC”, “we”, or “us”) provides custodial, directed trustee and administrative services for health savings account programs (“HSA Program”). As a result of that role, persons who open a health savings account in an HSA Program (“Account”) are considered ‘customers’ of PNC (“you” or “your”).

**If you fail to provide any requested identifying information or documentation when opening your Account, your new account application may be rejected. If we open your Account and you subsequently fail to provide all identification materials we request or if we are subsequently unable to adequately verify your identity as required by government regulations, we reserve the right to take any one or more of the following actions:**

- We may place restrictions on your Account, including, without limitation, restrictions on payroll and other contributions, debit card restrictions and restrictions which eliminate your ability to execute fund orders or process distribution requests.
- We may close your Account, sell the assets in your Account in the prevailing market at the time and send you a check representing the cash proceeds of your Account.

### **GENERAL INFORMATION**

#### **Overview**

This Health Savings Account Disclosure Statement and Custodial Account Agreement, together with the PNC BeneFit Plus Debit Card Agreement, govern your Health Savings Account. When you open your HSA at PNC, you are agreeing to be bound by the terms of all of these, which are legally binding contracts (together, referred to as the “Agreement”). Please keep a copy of these documents, and any amendments thereto, for your reference.

Cash contributions/deposits to your HSA (referred to as the “Bank Portion”) are held in an interest-bearing custodial account at the Bank and are insured by the Federal Deposit Insurance Corporation (FDIC) up to the maximum amount permitted under FDIC guidelines. Initial contributions to your HSA are limited to the Bank Portion until the Account balance reaches the minimum amount determined by the Custodian for participation in the Investment Option (the “Minimum Cash Balance”). The “Investment Option” refers to a menu of mutual funds and a separate interest-bearing FDIC-insured deposit account. Participation in the Investment Option is not automatic; Account Owners must enroll separately through the PNC BeneFit Plus Consumer Portal, at the website located on your monthly account statement if they wish to utilize this feature. Account Owners that elect to

participate in the Investment Option must continue to maintain the Minimum Cash Balance in the Bank Portion. The mutual funds and portfolios included in the Investment Option shall be collectively referred to herein as the "Funds" and the shares of the Funds shall be collectively referred to as "Fund Shares." Amounts held in the interest-bearing deposit account shall be referred to as "Investment Cash." See the section titled "Investment Option" below, as well as Section 12 of the Custodial Agreement for additional information on the Investment Option.

Please use the website or toll-free number found on your monthly account statement to contact us or to obtain information regarding your HSA.

### **Bank Portion**

Bank will determine the applicable interest rate on the Bank Portion of the HSA in its sole discretion. At its discretion and without further notice to you, Bank may, at any time, change the interest rate and annual percentage yield on the HSA. The interest rate paid with respect to the HSA may be higher or lower than the interest rate available to depositors making deposits directly with Bank or other depository institutions in comparable accounts. In addition, the Bank reserves the right to establish (and change) balance levels on which different rates of interest may be paid. For current interest rate information, please refer to the PNC BeneFit Plus Consumer Portal using the website located on your monthly account statement or call the toll-free number located on your monthly account statement. Interest begins to accrue on the business day Bank receives credit for the deposit of checks and other non-cash items. Interest is compounded daily and credited to the HSA monthly on the last day of the month. Bank uses the daily balance method to calculate the interest on the HSA. This method applies a daily periodic rate to the principal balance in the HSA each day. In a low interest rate environment small balances in the FDIC Insured portion of an HSA may not receive any interest during a particular month. Because the Bank rounds the daily interest amount to the nearest penny, balances that do not accrue at least \$0.005 on at least one day in a given month will not see an interest payment post to their account that month. If you close your Account at any point during a month, before interest is credited, any accrued interest will be forfeited for that month. You agree to carefully check each Transaction as you conduct or receive notice of it, whether at point-of-sale terminals or through your personal computer or mobile device and to take every precaution to safeguard your account information or any Personal Identification Number (PIN) for your Card against loss or theft. You must notify us immediately if they are lost or stolen.

The Bank provides access to information regarding your HSA balance and Transactions (including deposits/withdrawals and, if any your mutual fund investments) via: (i) the PNC BeneFit Plus Consumer Portal, at the website located on your monthly account statement (the "Portal") or (ii) the toll-free number located on your monthly account statement. A customer service team is available from 8AM – 8PM ET, Monday – Friday, excluding holidays. The Account Owner acknowledges and agrees that the accuracy of such account information is subject to any pending or unprocessed Transactions about which only you have knowledge. You agree that it is your duty and responsibility to maintain your HSA in a responsible manner by independently maintaining accurate records of your activity, including, but not limited to Card Transactions, withdrawals and deposits. If a Transaction is debited or credited to your Account and you have not given the Custodian written notice of any exception or objection in accordance with the terms of this Agreement or the PNC BeneFit Plus Debit Card Agreement, the information shall be deemed to be accurate.



## Investment Option

Information regarding the menu of mutual funds that make up the Investment Option can be found by logging in to your Account through the Portal and clicking on the “Manage my Investments” tab. The Portal is the only means by which you can direct the investment of your funds. You have exclusive responsibility for and control over the investment of the assets in your Account. All investment transactions are subject to the terms of this Agreement, applicable federal and state laws and regulations, the rules and regulations of any exchange, market or clearing house where the transaction is executed, and the terms of the applicable Fund prospectus. If you have not indicated through the Portal how you wish to invest your funds, the funds will be placed in the Investment Cash account. You will have no rights or authority, including voting rights, in respect to any Fund Shares.

If an Account Owner has enrolled for participation in the Investment Option, then at any time the Account Owner’s balance in the Bank Portion reaches at least \$100 more than the Minimum Cash Balance, the amount of funds in excess of the Minimum Cash Balance will be automatically “swept” from the Bank Portion into the Investment Option. Account Owners may have the option through the Portal to increase (but not decrease) the amount of the Minimum Cash Balance. If the balance in the Bank Portion falls below the designated Minimum Cash Balance (whether set by the Custodian or increased by you) by \$100 or more, an automatic partial or total liquidation of your Fund Shares (on a pro rata basis) will be triggered to fund a transfer to the Bank Portion in an amount sufficient to meet the designated Minimum Cash Balance. Any liquidation triggered by the terms of this Agreement (rather than those directed by you) will be made in the same proportion as your investment holdings, and you agree not to hold us liable for any adverse consequences that might result from the liquidation of assets in this order.

**Mutual funds are not FDIC insured, not bank issued or guaranteed, and are subject to investment risks, including fluctuations in value and the possible loss of the principal amount invested.** In addition, growth in the value of your Account is neither guaranteed nor projected due to the characteristics of a mutual fund investment. Detailed information about the shares of each mutual fund available for investment by your HSA will be made available to you electronically through the Portal in the form of a prospectus. The method for computing and allocating annual earnings is set forth in the applicable prospectus. For information regarding expenses, earnings, and distributions, see the applicable mutual fund’s financial statements, prospectus and/or statement of additional information.

Fund Shares shall be purchased at the public offering price for Fund Shares as of the time the transaction is effected after receipt of the contribution in good order by the Custodian or its agent. The Custodian has the right at any time and for any reason to change the menu of Funds made available for investment in the Investment Option by providing the Account Owner at least thirty (30) days’ notice (if practical under the circumstances). In the event a portion of your HSA is invested in a mutual fund(s) that is removed from the program, in the absence of contrary instructions, the trustee or Custodian will cause your holdings in that fund to be liquidated and the assets transferred to the Investment Cash account. Also, if you have not redirected any investment allocations in regard to a mutual fund that has been removed from the program, future contributions that would have been allocated to such Fund will instead be placed in the Investment Cash account.

You understand and acknowledge that the Custodian, its sub-custodian (if any), and/or their respective affiliates may receive compensation in the form of distribution and marketing fees (including fees paid pursuant to an plan consistent with Rule 12b-1 under the Investment Company Act of 1940), omnibus accounting fees and/or fees for sub-administration, shareholder services, recordkeeping, print

mail/services, or other related fees (“Mutual Fund Compensation”), from all or some of the mutual funds made available as Investment Options, or from the managers, servicing agents, advisors, distributors or other affiliates of such mutual funds. Unless you are notified otherwise, in the event that the Custodian (or its sub-custodian or their affiliates) receive Mutual Fund Compensation, the Custodian has elected to direct that a credit in an amount equal to the amount of such Mutual Fund Compensation received, be allocated to your HSA based on your holdings in each such relevant mutual fund, thereby resulting in your purchase of additional Fund Shares. The Account Owner acknowledges that such Mutual Fund Compensation is described in the prospectus or other disclosure materials made available to the Account Owner. Because payments of Mutual Fund Compensation, when applicable, are remitted by the mutual fund companies and their agents at various times during the year, Mutual Fund Compensation received during a calendar quarter will be allocated to your HSA by the end of such quarter.

### **Deposits and Withdrawals**

The funds in the HSA will be held in the name of the Custodian, evidenced on the Bank’s account records as Custodian and record keeper. Your HSA is not an individual deposit account and therefore you will not be able to make deposits or withdrawals through a Bank branch or ATM. Deposits can be made via ACH transfers or by check, mailed to the Custodian at PNC BeneFit Plus Consumer Services, c/o Health Account Services, P.O. Box 2865, Fargo, ND 58108-2865. The Custodian will act as your agent in Transactions involving your HSA, and all deposits and withdrawals will be made in the name of the Custodian on your behalf in accordance with the terms of this Agreement. Although there is no limit on the number of Transactions (deposits/withdrawals) that can be requested and processed by the Custodian on your behalf, the Custodian reserves the right to limit the frequency and minimum dollar amount of withdrawals. If you terminate the Custodian, transfer your funds to another HSA custodian/trustee or close your HSA, all funds held by the Custodian in the HSA on your behalf will be fully liquidated and distributed to you or the successor HSA custodian/trustee, as the case may be, in accordance with your instructions.

Credit for deposits, whether by ACH (payroll or otherwise) or check, is provisional until we receive final settlement of the funds. If we do not receive settlement or payment, you agree that you must refund to us the amount we credited to you and that we may charge your HSA for such amount. For additional information see the Section titled “Contributions” below and also Section 12.1 of the Custodial Agreement titled “Contributions and Availability”. When processing incoming fund transfers, we rely on the account number provided by the financial institutions or other persons who send the fund transfers. We have no duty to determine if the account information provided is accurate and we will not be liable to you for any errors in crediting funds transfers due to incorrect account information provided by the sender. The law allows the Bank to supply a missing endorsement to a deposited check, draft, or any other instrument. However, we reserve the right to refuse to accept for deposit any item which does not bear a proper endorsement, which is payable to someone other than you or under any other circumstances in our sole discretion. If an item that does not bear, or does not appear to bear, a proper endorsement is deposited into your account, you agree that we may place a hold on your account while we investigate or until we obtain all necessary endorsements. Federal law specifies locations on checks for your and our respective endorsements. If our endorsement is illegible because you have endorsed the check in the wrong location, you will be liable for any resulting losses.

Withdrawals can be made by:

- (i) completing a distribution form;
- (ii) using your Card;

- (iii) initiating an ACH distribution through the consumer portal to reimburse yourself; or
- (iv) initiating an on Online Bill Pay Transaction to pay your provider.

The Bank may refuse any withdrawal attempted with forms not approved by the Bank or by any method not expressly permitted by the Bank.

You should always check the balance in the Bank Portion of your Account before attempting or authorizing any withdrawals. Generally, any attempted withdrawals using your Card in amounts that exceed the balance in the Bank Portion will be declined. If a Transaction results in an overdraft, you agree that you will be required to promptly repay the overdrawn balance and your Card will be suspended from use until the Account is returned to a positive balance.

For all other types of withdrawals, if your balance in the Bank Portion of your Account is not sufficient to cover the planned withdrawal **and if you have opted into automatic investments**, an automatic partial or total liquidation of your Fund Shares (on a pro rata basis) will be triggered to fund the distribution request. You understand that you might not receive the total amount of your requested liquidation due to market fluctuations during the time period for processing your liquidation request.

ACH debits and preauthorized automatic debits (including recurring debit transactions), may exceed the available balance in your HSA and create an overdraft. You may be subject to a service charge, (as set forth in the Health Savings Account Fee Schedule). You acknowledge and understand that the Bank has no obligation to permit any withdrawal or distribution at a time when there are insufficient funds in your HSA, and the Bank will normally refuse to accept any such attempted withdrawal/distribution. However, occasionally an overdraft may occur when there are not sufficient available funds in your HSA. You agree to repay us immediately the amount of the funds advanced to you. You authorize us to withhold funds from your HSA equal to the overdraft to the extent that you have failed to inform the Bank of your intent to satisfy the overdraft with other funds. **We will not be required to allow you to overdraw your HSA even if we had allowed such activity on one or more prior occasions.** The classification of a Transaction as recurring or non-recurring is determined by merchants, other institutions or other third parties before it is presented to us for authorization or payment.

We reserve the right to close your Account at our discretion and without prior notice if you fail to promptly make a contribution equal to or reimburse us for any overdrafts in accordance with notice provided to you by the Bank.

#### **Authorized Contact**

You may select any individual, including your spouse, to act as an Authorized Contact on your Account. Your Account can never have more than one Authorized Contact. You will provide any information we request regarding the Authorized Contact, including, but not limited to, their name, address, social security number, date of birth and phone number. You understand and agree that, upon verification of their identity by us, the Authorized Contact will only be allowed to: (i) receive Account information which shall include balances, transaction activity, and information about you, the Account Owner; or (ii) request a replacement debit card if the Authorized Contact is also an eligible dependent on the Account, and their card is lost or stolen.

You also understand that you are solely responsible for the actions taken by your Authorized Contact and you shall not have any claim against us for the consequences resulting from actions taken by the Authorized Contact. You may remove the existing Authorized Contact at any time by following the instructions provided on the Authorized Contact Form.

### **Stop Payments for Online Bill Pay Transactions**

If you want to stop payment of an online bill pay check you authorized through the PNC BeneFit Plus Consumer Portal or by other electronic means, you may do so if your stop payment order notice gives us a reasonable opportunity to act on it before the check has been cashed. Stop payment authorizations expire six (6) months after the date we first receive your stop payment order.

You may place a stop payment order by calling PNC BeneFit Plus Consumer Services using the toll-free number on your monthly account statement, and providing the following information: (i) your Account number; (ii) the bill pay check number; (iii) the date and amount of the check; (iv) the name of the party to be paid; and (v) your name and address. This information can be found within the transaction description on the PNC BeneFit Plus Consumer Portal. Unless the amount of the check and other information are reported with absolute accuracy, we cannot assure you that the item you want stopped will not be paid. We reserve the right to charge you a fee for processing a stop payment request. Please check your Health Savings Account Fee Schedule for more information.

In the event that we inadvertently pay an item over your valid stop payment order, the following rules will apply:

- (i) you must be able to prove to the Bank that you have suffered a loss and, if so, the amount of the loss;
- (ii) the Bank will be able to enforce any rights that the original payee or any other person who held the bill pay check had against you; and
- (iii) the HSA will not be re-credited until you prove your loss and we are satisfied that we are required by law to do so.

If you stop payment on a bill pay transaction and the Bank incurs any damages or expenses because of the stop payment, you agree to indemnify the Bank for those damages or expenses, including attorneys' fees. You assign to the Bank all rights against the payee or any other holder of the item. You agree to cooperate with the Bank in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop payment order.

To stop payment on a single or recurring preauthorized third party debits to your HSA you should contact the merchant, allowing adequate time for that party to cancel the payment and for us to implement the cancellation request (which typically may take up to several business days). We are not responsible for any failure by a merchant to stop a payment or for your failure to notify the merchant in time to stop any given payment from your HSA.

### **Check Images and Substitute Checks**

In our sole discretion, we may return to a presenting bank, returning bank or payment bank, or credit to your HSA, a paper copy or paper representation of an original check (including without limitation an image replacement document or IRD, or a photocopy) drawn on or returned to your HSA that does not otherwise meet the technical or legal requirements for a "substitute check" as

defined in the Check Clearing for the 21st Century Act (“Check 21 Act”). You agree that a check image that is received or created by Bank in the check deposit, collection or return process shall be considered a “check” and/or an “item” for all purposes under this Agreement and applicable law. You authorize us to pay, process, or return a substitute check in the same manner as “check” or “item” under this Agreement.

You agree to indemnify and hold harmless us, our employees and agents from any loss, claim, damage or expense that you or any other person may incur directly or indirectly as a result of any action taken by us to process a check image or substitute check instead of the original check, including the destruction of the original check, as described above, to the extent permitted by applicable law.

For more information on withdrawals, see the Section titled “*Distributions*” below and Section 12.8 of the Custodial Agreement titled “*Distributions and Withdrawals*.”

### **Remotely Created Checks**

If you deposit a “remotely created check” with us, you represent and warrant to us that the check is authorized to be paid in the amount stated on the check and to the payee named on the check. A “remotely created check” is a check that you are authorized to create and present for payment by an authorized signer on the account on which the check is drawn, and which does not bear the signature of an authorized signer on that account, and includes checks that are defined in applicable law as “remotely created checks”. In addition to the foregoing, we may honor “remotely created checks” authorized by you in the amount stated on the check and to the payee named on the check.

You agree to indemnify us for any loss that we may incur directly or indirectly from your deposit of a “remotely created checks” in violation of the terms set forth in this paragraph. You further agree that all of the terms in this Agreement and under applicable law that apply to a “check” and/or “item” apply to “remotely created checks” including without limitation substitute check images of “remotely created checks”, except that “remotely created checks” will not be signed by an authorized signer on the account on which the check is drawn.

### **High Deductible Health Plan (HDHP)**

In the case of self-only coverage, the High Deductible Health Plan’s annual deductible cannot be less than \$1,350 (2019) and \$1,400 (2020), as indexed for inflation. In the case of any other coverage (family coverage), the annual deductible cannot be less than \$2,700 (2019) and \$2,800 (2020), as indexed for inflation.

The sum of the annual deductible and other annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits may not exceed \$6,750 (2019) and \$6,900 (2020) for self-only coverage, and \$13,500 (2019) and \$13,800 (2020) for family coverage, as indexed for inflation.

In the case of family coverage, a plan is an HDHP only if, under the terms of the plan and without regard to which family member or members incur expenses, no amounts are payable from the HDHP until the family has incurred annual covered medical expenses in excess of the minimum annual deductible. A plan does not fail to be an HDHP merely because it does not have a deductible (or has a small deductible) for certain preventive care (see below). Except for certain preventive care, a plan may not provide benefits for any year until the deductible for that year is met.

An HDHP shall not include a plan where substantially all of the coverage is for accidents, disability, dental care, vision care, or long-term care. Also an HDHP shall not fail to be treated as an HDHP merely because the individual has coverage for any benefit provided by Permitted Insurance”.

Generally, an HDHP cannot provide any benefits for any year until the deductible for that year is satisfied.

### **Preventive Care Safe Harbor**

IRS Notice 2004-23 provided a “safe harbor” for preventive care benefits allowed to be provided by an HDHP without satisfying the minimum deductible requirements. An HDHP may provide preventive care benefits without a deductible or with a deductible below the minimum annual deductible. Preventive care includes, but is not limited to, the following:

- Periodic health evaluations, including tests and diagnostic procedures ordered in connection with routine examinations, such as annual physicals.
- Routine prenatal and well-child care.
- Child and adult immunizations.
- Tobacco cessation programs.
- Obesity weight-loss programs.
- Screening services that are more fully described in the Appendix of Notice 2004-23.

However, preventive care does not generally include any service or benefit intended to treat an existing illness, injury, or condition. Also, the determination of whether health care that is required by State law to be provided by an HDHP without regard to a deductible is “preventive” for purposes of the exception for preventive care under Section 223(c)(2)(C) of the Code will be based on the standards set forth in Notice 2004-23 and other IRS guidance, rather than on how that care is characterized by State law.

### **Special Rules for Network Plans**

In the case of a plan using a network of providers, special rules apply. A network plan is a plan that generally provides more favorable benefits for services provided by its network of providers than for services provided outside of the network. In the case of a plan using a network of providers, the plan does not fail to be an HDHP solely because the out-of-pocket expense limits for services provided outside of the network exceeds the maximum annual out-of-pocket expense limits allowed for an HDHP. In addition, the plan’s annual deductible for out-of-network services is not taken into account in determining the annual contribution limit. Rather, the annual contribution limit is determined by reference to the deductible for services within the network.

### **Qualified Medical Expenses**

Qualified medical expenses include amounts paid with respect to the account owner, the account owner’s spouse, and the account owner’s Dependents, for Medical Care that is not compensated for by insurance or otherwise.

To be “Qualified Medical Expenses”, such expenses must be incurred only after the HSA has been established. Generally, Qualified Medical Expenses shall not include payment for insurance. Exceptions to this rule include any expense for coverage under:

- (a) a health plan during any period of continuation coverage required under Federal law (COBRA)
- (b) a qualified long-term care insurance contract (as defined in Section 7702B(b) of the Code); or
- (c) a health plan during a period in which the individual is receiving unemployment compensation

under any Federal or State law.

For individuals over age 65, premiums for the following health insurance may also be paid from the HSA:

- (a) Medicare Part A
- (b) Medicare Part B
- (c) Medicare HMO
- (d) Employees' share of employer-sponsored health insurance
- (e) Employer-sponsored retiree health insurance; however, premiums for Medigap policies are not Qualified Medical Expenses.

### **Over the Counter Non-Prescription Exclusion**

Non-prescription medicines (other than insulin) are not considered Qualified Medical Expenses for HSA purposes. A medicine or drug will be a qualified medical expense for HSA purposes only if the medicine or drug:

- 1. Requires a prescription,
- 2. Is available without a prescription (an over-the-counter medicine or drug) and you get a prescription for it, or
- 3. Is insulin.

### **Medical Care**

Amounts for medical care that can be paid from an HSA include:

- (a) the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body;
- (b) for transportation primarily for and essential to medical care referred to above; or
- (c) amounts paid for certain lodging while away from home primarily for and essential to medical care, if such medical care is provided by a physician in a licensed hospital or medical care facility and there is no significant element of personal pleasure, recreation, or vacation in the travel away from home.

The amount is limited to \$50 per night per individual.

The term medical care does not include cosmetic surgery.

### **Compensation**

Compensation shall not include amounts paid to an HSA, if it is reasonable to believe that such contributions can be excludable from income under Section 106(b) of the Code.

### **Dependent**

Dependent includes any of the following individuals who receive over half of their support for the calendar year from the taxpayer and is not being claimed as a dependent on another taxpayer's return:

- (a) Son or daughter, or a descendent of either;
- (b) Stepson or stepdaughter;
- (c) Brother, sister, stepbrother, or stepsister;
- (d) Father or mother, an ancestor of either;
- (e) Stepfather or stepmother;
- (f) Son or daughter of a brother or sister;
- (g) Brother or sister of the father or mother;

- (h) Son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or
- (i) An individual (other than an individual who at any time during the year was the taxpayer's spouse) who, for the taxable year of the taxpayer, has as his/her principal place of residence, the home of the taxpayer and is a member of the taxpayer's household.

The terms brothers and sisters include half-blood relatives. A child shall include a legally adopted child, a child who is placed in the taxpayer's home by an authorized placement agency for legal adoption, and a foster child. A dependent does not include an individual who is not a citizen of the U.S. or of a country contiguous to the U.S. This does not include a child who is legally adopted by a U.S. taxpayer.

In December 2013, the IRS issued Notice 2014-1, which specifically addresses the definition of a spouse for the purposes of determining HSA contribution limits for tax years beginning in 2013 and forward. Beginning with the 2013 tax year, a same-sex married couple who are treated as married for federal tax purposes will be subject to the joint deduction limit for HSA contributions (\$7,000 for 2019, \$7,100 for 2020). If the combined contributions of each spouse for 2013 (or thereafter) exceed the family coverage deduction limitation, the excess amount may be distributed from the HSAs of one or both spouses no later than their tax filing deadline. Any such excess contributions that remain undistributed as of the due date for the filing of the spouse's tax return (including extensions) will be subject to excise taxes under Section 4973 of the Code.

## **CONTRIBUTIONS**

### **Source of Annual Contributions**

Cash contributions can either be made by an eligible individual, by a family member on behalf of an eligible individual, or by the employer of an employee who is an eligible individual. Unlike Archer MSAs, contributions to an HSA can be made by any of the above during the same year. Contributions made by another family member are treated as if made by the account owner. HSA contributions are contributions other than rollover contributions or transfers from another HSA or Archer MSA or a mistake of fact reimbursement.

### **Contribution Limits**

Your annual contribution may not exceed the specified dollar limit depending upon the HDHP's coverage for self only or family (adjusted for cost-of-living), see "Maximum Dollar Limit" below. HSA contributions must be reduced by aggregate contributions to an Archer MSA and contributions made by someone on behalf of the eligible individual. The same annual contribution limit applies regardless of whether the contributions are made by the individual, the individual's employer or a family member. If an individual has more than one HSA, the aggregate annual contributions to all of the individual's HSAs are subject to the limit. After an individual has reached age 65, contributions can be made as long as the individual does not enroll in Medicare.

### **Maximum Dollar Limit**

For an eligible individual with self-only coverage, the maximum annual dollar limit is \$3,500 for 2019 and \$3,550 for 2020. For an eligible individual with family coverage, the maximum annual dollar limit is \$7,000 for 2019 and \$7,100 for 2020. These dollar limits may be adjusted each calendar year for cost- of-living rounded to the nearest multiple of \$50.

### **Partial Year Coverage under Qualifying HDHP**

Beginning with contributions made for 2007 and thereafter, if an eligible individual is covered under the HDHP during the last month of the year, the individual is eligible to make the full HSA contribution,



depending upon the type of coverage under the HDHP (self-only or family). This provision, therefore, “deems” that the individual was covered under the HDHP for the entire year and thus permits the individual to make the full contribution regardless of the actual number of months he was covered under the HDHP. *Please see IRS Publication 969 for examples.*

However, in order to use this rule, the individual must continue coverage under the HDHP during the “testing period”. Otherwise, the amount contributed in excess of the amount that could have been contributed under the monthly-limitation rule is subject to tax, plus an additional tax. This tax applies for the year when the individual ceases to be eligible to make HSA contributions, except due to death or becoming disabled. The testing period begins the last month of the taxable year and ends on the last day of the 12th month following such month.

### **Prorating Still Applies in Some Cases**

Prorating the contribution limit in accordance with the monthly-limitation rule still applies if the eligible individual does not remain covered under the HDHP for the entire year. *Please see IRS Publication 969 for examples.*

### **Catch-up Contributions**

For the account owner (and spouse who is covered under the HDHP) who reaches age 55 before the end of a taxable year, an additional cash contribution may be made each year as follows:

2009 and thereafter: \$1,000 (not subject to cost-of-living adjustments).  
Catch-up contributions are computed on a monthly basis.

### **Qualified HSA Funding Distribution**

Annual HSA contributions must be made in cash (except as noted below) and may be made by an eligible individual, any other person on behalf of an eligible individual, or the employer of an eligible individual during any given year. Rollover and/or transfer contributions may be made in cash.

Beginning with contributions made for 2007 and thereafter, a special one-time, tax-free transfer from an IRA to an HSA is permitted. This one-time transfer counts toward the eligible individual’s HSA contribution limit for the year of the transfer.

Beginning with annual HSA contributions made for 2007 or thereafter, an HSA-eligible individual may make an irrevocable once-in-a-lifetime, tax-free “Qualified HSA Funding Distribution” from an IRA to an HSA, subject, however, to strict requirements. The amount of the HSA funding distribution must be made in the form of a trustee-to-trustee transfer from the IRA to the HSA. The amount of the transfer cannot exceed the maximum HSA contribution limit for the year that the amount is transferred.

Consequently, this one-time transfer from an IRA to an HSA counts toward the individual’s total HSA contribution limit for the year depending upon the type of coverage under the HDHP (self-only or family). However, a special rule applies in the year of the initial transfer. If the individual has self-only coverage under the HDHP and makes a transfer under this rule from an IRA to an HSA, and then changes to family coverage under the HDHP in that same year, an additional transfer can be made to bring the individual up to the amount of the family coverage contribution limit, but the individual must do so in the same year. Also, the IRA from which the transfer is made cannot be a SEP or SIMPLE.

This one-time transfer is different from the one-time transfer from an FSA or HRA discussed later. Whereas the FSA or HRA transfer does not count against the individual's HSA contribution limit for the year, a transfer from the individual's IRA does count toward the HSA contribution limit. Also, the amount transferred cannot be deducted as an HSA contribution because the amount transferred is not a taxable distribution from the IRA. There is no deadline to make this one-time transfer from and IRA to an HSA. The amount transferred from the IRA to the HSA will be treated as coming first from the taxable portion of the IRA. Thus, this will be an exception to the normal pro-rata taxation rules applicable to traditional IRAs. However, if the individual ceases to be an HSA-eligible individual during the "testing period," the amount transferred is taxable and subject to the additional tax if the individual is under the age of 59 ½ unless the individual dies or becomes disabled. For this purpose, the testing period begins with the month in which the qualified HSA funding distribution is contributed to an HSA and ends on the last day of the 12th month following such month.

### **Other General Rules**

HSA contributions may be made regardless of whether the eligible individual has compensation. The HSA contribution limit is reduced by any contributions for the year to an Archer MSA. If the account beneficiary has more than one HSA, the aggregate of all contributions are subject to the contribution limit.

The taxpayer reports all contributions and distributions by submitting Form 8889 with his or her income tax return. If a penalty is due because of an excess contribution, Form 5329 must be completed in addition to Form 8889.

### **Married Individuals**

Jointly-owned HSAs are not permitted; an HSA is established by or on behalf of an eligible individual. In the case of eligible individuals who are married to each other, if either spouse has family coverage, both are treated as having family coverage. If each spouse has family coverage under a separate health plan, both spouses are treated as covered under the plan with the lowest deductible. The total contribution limit for the spouses is divided equally between the spouses, unless they agree on a different division. The family coverage limit is reduced by any contribution to an Archer MSA. However, both spouses may make the catch-up contributions for individuals age 55 or over without exceeding the family coverage limit. There is no formal method specified for how a married couple agrees on a different division of the total contribution amount. If only one spouse is an eligible individual, only that spouse may contribute to an HSA.

### **Timing of HSA Contributions**

HSA contributions must be made for a calendar year no later than the due date for filing the taxpayer's Federal income tax return, not including extensions. Contributions for the taxable year can be made in one or more payments. Although the annual contribution limit is determined monthly, the maximum contributions may be made on the first day of the year.

### **Deduction Permitted If Contribution Made by Eligible Individual or Family Member**

If an eligible individual makes a contribution to an HSA, or another individual makes a contribution on behalf of an eligible individual, an "above - the - line" deduction is permitted by the eligible individual for the taxable year equal to an amount which is the aggregate amount paid in cash during such taxable year to an HSA, subject to the contribution limit. However, if the HSA eligible individual makes the one-time, tax-free transfer from an IRA to fund the HSA for the year, no deduction is permitted with respect to the amount transferred.

Contributions made by an employer within the contribution limits of the HSA are not deductible by the eligible individual, but rather treated as employer-provided coverage for medical expenses and are excluded from income. HSA contributions are deductible whether or not the eligible individual itemized deductions. An individual who may be claimed as a dependent on another person's tax return is not an eligible individual and may not deduct contributions to an HSA. HSA rules are applied without regard to community property laws.

### **Employer Contributions to HSA**

Employer contributions to an HSA are not included in the compensation of the employee. The employer treats the HSA contributions as employer-provided coverage for medical expenses under an accident or health plan. The employer must report the amount of the HSA contribution on the employee's W-2 Form in accordance with IRS instructions for that form. Employer contributions to an HSA are not subject to withholding from wages for income tax purposes or subject to FICA, FUTA or the Railroad Retirement Tax Act. Contributions to an employee's HSA through a cafeteria plan are treated as employer contributions. The employee cannot deduct employer HSA contributions on his or her Federal income tax return as HSA contributions or as medical expense deductions under Section 213 of the Code.

If the employer chooses to make HSA contributions, then the employer is required to make comparable HSA contributions for all participating employees (i.e., eligible employees with comparable coverage) during the same period. A comparable HSA employer contribution is (1) the same dollar amount or (2) the same percentage of the annual deductible under the high deductible health plan covering the employees divided into groups of "comparable coverage." Comparable coverage can vary between self-only coverage, family coverage and part-time employees. A part-time employee means an employee who customarily works less than 30 hours per week. The comparability rule does not apply to amounts rolled over from an employee's HSA or Archer MSA, or to contributions made through a cafeteria plan.

If employer contributions do not comply with the comparability rule during a period, then the employer is subject to an excise tax equal to 35% of the aggregate amount contributed by the employer to HSAs for that period.

### **EXCESS CONTRIBUTIONS**

Generally an excess HSA contribution is any contribution made for a taxable year that exceeds the contribution limits, and such excess contribution is subject to a 6% excise tax on the principal amount of the excess each year until the excess is corrected. Excess HSA contributions are not deductible by the individual if made by or on behalf of the individual. Excess HSA contributions made by the individual's employer are included in the gross income of the employee.

### **Withdrawing Excess By Tax Filing Due Date**

This 6% excise tax may be avoided if the excess amount plus the earnings attributable to the excess are distributed by the individual's tax filing deadline, including extensions for the year for which the excess contribution was made, and no deduction is taken for such excess amount. If the excess is corrected in this manner, the principal amount of the excess returned is not taxable; however, the earnings attributable to the excess are taxable in the year in which the distribution is received. Such earnings are also subject to the additional tax, unless another exception applies.

Excess contributions made for one taxable year can be carried over to subsequent years, in order of time, subject to the subsequent year's contribution limit. The 6% excise tax is applied each year on the uncorrected excess amount as of the end of each taxable year.

### **Taxes; No Advice**

The Custodian has no responsibility for determining the tax effect of contributions to or distributions taken from your Account. You agree that all materials provided to you in conjunction with your Account are not legal, tax, investment or other professional advice. You are solely responsible for complying with tax law and rules governing the Account. You may wish to consult with an attorney, an accountant, or other qualified tax or investment professional in regard to these matters.

### **ROLLOVERS**

A rollover contribution is not included in your income, is not deductible, and does not reduce your contribution limit.

### **Archer MSAs and other HSAs**

You can roll over amounts from Archer MSAs and other HSAs into an HSA. You do not have to be an eligible individual to make a rollover contribution from your existing HSA to a new HSA. Rollover contributions do not need to be in cash. Rollovers are not subject to the annual contribution limits. You must rollover the amount within 60 days after the date of receipt. You can make only one rollover contribution to an HSA during a 1-year period.

**Note:** If you instruct the trustee or custodian of your HSA to transfer funds directly to the trustee or custodian of another HSA, the transfer is not considered a rollover. There is no limit on the number of these transfers. Do not include the amount transferred in income, deduct it as a contribution, or include it as a distribution on Form 8889, line 14a.

If an HSA is inherited by another person due to the death of the account owner, no rollover is permitted unless the spouse of the decedent is the Designated Beneficiary.

### **TRANSFERS**

A direct transfer of all or a portion of funds is permitted from this HSA to another HSA or from another HSA to this HSA. Transfers do not constitute a distribution since the funds are not treated as received. The monies are transferred directly to the new custodian or trustee. Direct transfers are not subject to the 60-day period or the 12-month rule described above under "Rollover HSAs". Transfer contributions for your HSA must be made in cash (that is, in kind transfer contributions are not permitted).

If all or a portion of an HSA is transferred to a former spouse's HSA under a divorce decree (or under a written instrument incident to divorce) or separation instrument, the HSA account owner will not be deemed to have made a taxable distribution, by merely a transfer. The portion so transferred will be treated at the time of the transfer as the HSA of the account owner's spouse or former spouse.

Special rules apply to a one-time transfer from an FSA or HRA to an HSA. Such transfer is treated as a rollover as described under "Rollovers".

Special rules apply to a one-time transfer from an IRA to an HSA. Such transfer is treated as a contribution for the year of the transfer as described earlier under "Contributions".

## **DISTRIBUTIONS**

### **Distributions – In General**

Distributions from an HSA are permitted at any time. The Custodian or trustee may, in its own discretion, permit payments from this HSA through any of the following:

1. Payments made directly to the account owner
2. Payments made directly to the medical service provider
3. Your Card

The account owner may request a distribution from the HSA as Qualified Medical Expenses are incurred, or may periodically reimburse himself or herself from the HSA for Qualified Medical Expenses that have been incurred and paid by the individual.

### **Taxation of Distributions**

**Additional tax** - There is an additional 20% tax on the part of your distributions not used for Qualified Medical Expenses. Figure the tax on Form 8889 and file it with your Form 1040 or Form 1040NR. Report the additional tax in the total on Form 1040, line 60, or Form 1040NR, line 59, and enter “HSA” and the amount on the dotted line next to that line. Any amounts distributed from an HSA for Qualified Medical Expenses of the account owner, his or her spouse, or Dependents are not included in the account owner’s gross income for the year and are not subject to the additional excise tax. Amounts in an HSA can be used for Qualified Medical Expenses and will be excludable from gross income even if the individual is not currently eligible for contributions to the HSA.

Any amounts distributed from an HSA that are not used to exclusively pay for Qualified Medical Expenses of the account owner, his or her spouse, or Dependents are included in the gross income of the account owner. Also, such distribution will be subject to an additional excise tax, unless another exception applies. The account owner is solely responsible for determining the taxability or non-taxability of any distribution from an HSA.

IRS Form 8889 is filed by the taxpayer to report contributions to an HSA, distribution from an HSA, or an acquisition of interest in an HSA because of the death of the account owner.

**Exceptions** - There is no additional tax on distributions made after the date you are disabled, reach age 65, or die.

### **Death of the Account Owner**

Upon the account owner’s death, any balance remaining in the HSA becomes the property of the Designated Beneficiary named in the HSA instrument as the designated beneficiary of the account.

If the account owner designated his or her spouse as the Designated Beneficiary, the surviving spouse shall be treated as the account owner of the HSA after the original account owner’s death. This means that when the account owner dies, if the surviving spouse is the Designated Beneficiary, then such account is assumed automatically by the surviving spouse as his or her own HSA and will then be treated as the account owner for whom the HSA is maintained. The surviving spouse is subject to income tax only to the extent distributions from the HSA are not used for Qualified Medical Expenses.

If any other person is the Designated Beneficiary, then the HSA ceases to be an HSA on the date of the account owner's death. If the Designated Beneficiary is a non-spouse, the fair market value of the HSA on the date of death is includible in such non-spouse beneficiary's gross income for such taxable year. If the account owner's estate is the Designated Beneficiary, then the fair market value of the HSA on the decedent's date of death is includible in the decedent's gross income on the last tax return files on behalf of the decedent. For such a person (except the decedent's estate), the includable amount is reduced by any payments from the HSA made for the decedent's Qualified Medical Expenses, if paid within one year of death.

If you do not designate a beneficiary or we are unable to locate your designated beneficiary, the HSA will cease to be an HSA on the date of your death and we will pay the balance to your estate.

### **Other Distributions**

Distributions from an HSA that are not used to pay Qualified Medical Expenses are included in gross income for the year and may also be subject to an additional income tax, unless the distribution is received due to death; disability; a qualifying rollover distribution; or the timely withdrawal of the principal amount of an excess contribution.

### **Coordination of Medical Expense Deduction**

For purposes of determining the amount of the medical expense deduction on the taxpayer's Federal income tax return under Section 213 of the Code, any payment or distribution from an HSA for Qualified Medical Expenses shall not be treated as an expense paid for Medical Care. Tax-free HSA distributions used for Qualified Medical Expenses reduce the taxpayer's medical expense deduction for Federal income tax purposes.

### **Availability of Contributions**

**The availability of your HSA funds for withdrawal will vary depending on the type of contribution. For payroll deductions, your funds will generally become available one business day after your employer's payroll is received by the Custodian and either deposited into the interest-bearing bank portion or invested in mutual funds. Electronic funds transfers, including ACH credit transfers and wire transfers to your HSA will be available on the business day the Custodian receives the funds. If you request a transfer of funds by an ACH debit transfer to your HSA, those funds will generally be available three business days after the day you initiate the transfer. Contributions by check generally will be available one business day after the check is received by the trustee or the Custodian. In certain circumstances, however, longer delays may apply. "Business Day" means every day except Saturday, Sunday, the day after Thanksgiving, and federal holidays.**

### **PROHIBITED TRANSACTIONS**

If the account owner or Designated Beneficiary engages in a prohibited transaction (as defined under Section 4975 of the Code) with the HSA, it will lose its tax exemption and the value of the account is included in gross income for that taxable year and will be subject to a 20% excise tax. If any portion of an HSA is pledged as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in gross income for that year and will be subject to a 20% excise tax.

### **PENALTIES**

If a distribution is made for non-medical reasons from an HSA, an additional 20% (effective 2011) income tax will apply on the taxable amount of the distribution, unless another exception applies as discussed earlier. If an excess contribution is made to an HSA and it is not corrected on a timely basis,

an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess that remains in the account. IRS Form 5329 must be filed with the Internal Revenue Services for any year an additional tax is due.

**FEES AND CHARGES**

The trustee or Custodian will charge administrative and other fees (and may be reimbursed for reasonable expenses) for maintaining your HSA. The trustee or Custodian will notify you, or your employer if your employer has arranged to pay fees of the HSA fees. The trustee or Custodian will also notify you (or your employer) in advance of any changes to the fees or the trustee or Custodian may deduct the amount of the fees or expenses from the assets in the bank portion of the HSA, at its discretion.

Monthly account fees may be paid partially or fully paid on your behalf. If you terminate employment or change insurance carriers, the applicable monthly fee will be withdrawn from your account each calendar month following such circumstance.

**STATE UNCLAIMED PROPERTY AND ESCHEAT LAW DISCLOSURE**

The assets in your HSA are subject to state unclaimed property or escheat laws which provide that if no activity occurs in your account within the time period specified by the particular state law, your assets must be transferred to the appropriate state. We are required by law to advise you that your assets may be transferred to an appropriate state in compliance with these state laws. You may need to file a claim with the state to recover assets from the HSA that have been transferred to the state.

\* \* \* \* \*

Articles I through X of the following Health Savings Account Custodial Account Agreement are from IRS Form **5305-C**, a model custodial account agreement that has been approved by the IRS. Do not file this Agreement 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, Notice 2004-33, I.R.B. 196, Publication 969, and other IRS published guidance.

## **Health Savings Account Custodial Account Agreement**

This Custodial Account Agreement, (hereinafter “Agreement”), is made between PNC Bank, National Association, (hereinafter referred to as “we”, “us” or the “Custodian”) and the individual person, (hereinafter referred to as “you”, “your” or the “Account Owner”), whose name appears in the accompanying Application for the purpose of establishing a Health Savings Account (HSA) under Section 223(a) of the Internal Revenue Code, (hereinafter the “Account”).

The Account Owner is establishing this Account 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 Account; 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 and the Custodian make the following Agreement:

### **ARTICLE I**

- 1.1 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 any applicable catch-up contribution.
- 1.2 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).
- 1.3 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.
- 1.4 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.
- 1.5 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**

- 2.1 With the exception of rollover contributions and distributions described in Sections 1.3 and 1.4, the maximum annual contributions during the year cannot exceed the contribution limits set forth in Code Section 223(b).



2.2 Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this Account

2.3. 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.

2.4 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 the Account have exceeded the maximum annual contribution limit described in Article II. If contributions to this Account exceed the maximum annual contribution limit, the Account Owner shall notify the Custodian that there exist excess contributions to the Account. 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 the Account is nonforfeitable.

### **ARTICLE V**

5.1 No part of the custodial funds in the Account may be invested in life insurance contracts or in collectibles as defined in Section 408(m) of the Code.

5.2 The assets of this Account may not be commingled with other property except in a common trust fund or common investment fund.

5.3 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 of the Code).

### **ARTICLE VI**

6.1 Distributions of funds from this Account may be made upon the direction of the Account Owner.

6.2 Distributions from this Account 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 twenty percent (20%) tax on that amount. The additional twenty percent (20%) tax does not apply if the distribution is made after the Account Owner's death, disability, or reaching age 65.

6.3 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 remaining interest in the Account will be disposed of as follows:

7.1 If the beneficiary is the Account Owner's spouse, the Account will become the spouse's Account as of the date of death.

7.2 If the beneficiary is not the Account Owner's spouse, the Account 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**

8.1 The Account Owner agrees to provide the Custodian with information necessary for us to prepare any report or return required by the IRS.

8.2 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 of the Code 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 - APPLICABLE LAW; WAIVER OF JURY TRIAL**

Except to the extent superseded by federal law, this Agreement shall be governed by, and construed, administered and enforced according to, the laws of the Commonwealth of Pennsylvania, and all contributions shall be deemed made in Pennsylvania.

## **BOTH PARTIES AGREE TO WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN THE RESOLUTION OF THE DISPUTE OR CLAIM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE PARTIES ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THIS CUSTODIAL AGREEMENT OR THE HSA.**

## **ARTICLE XII-ADDITIONAL PROVISIONS**

### **12.1 Contributions and Availability:**

(a) The availability of your HSA funds for withdrawal will vary depending on the type of contribution. For payroll deductions, your funds will generally become available one business day after your employer's payroll is received by the Custodian and either deposited into the interest-bearing bank portion or invested in mutual funds. Electronic funds transfers, including ACH credit transfers and wire transfers to your HSA will be available on the business day the Custodian receives the funds. If you request a transfer of funds by ACH debit transfer to your HSA, those funds will generally be available three business days after the day you initiate the transfer. Contributions by check generally will be available one business day after the check is received by the Custodian. In certain circumstances, however, longer delays may apply. "Business Day" means every day except Saturday, Sunday, the day after Thanksgiving, and federal holidays. ACH credits to your HSA will be treated as a current year contribution and ACH debits to your HSA will be treated as current year withdrawals from your HSA for tax purposes.

(b) If funds are being credited to your Account through payroll deduction, please check with your employer regarding the timing and application of the payroll deposits to the Custodian's system. The amount that you contribute through payroll deductions or other funding sources and how much your employer or any other person or entity contributes on your behalf will be determined solely by agreement between you and your employer or you and such other contributors. The Custodian reserves the right to make adjustments to your Account balances to correct funding errors on contributions to your Account and to withdraw any funds that should not have been placed in your Account.

Your Account is an individual custodial account established by you pursuant to federal tax law, and it is neither endorsed nor sponsored by your employer or any other third party. **The Account is not part of an ERISA benefit plan, even if your employer contributes to your Account or pays your custodial fees, or you make pre-tax contributions under a cafeteria plan.**

- (c) The Custodian may refuse, limit or return any contributions received for your Account.

#### **12.2 Notices and Statements:**

(a) Any written notice that you give to us is effective when we have actually received it. Except as otherwise required, any written notice that we give to you is effective (i) when posted on the PNC Benefit Plus Consumer Portal, at the website located on your monthly account statement; (ii) if you applied electronically to open the Account, when it is transmitted to the email address you have provided to us; or (iii) when it is deposited in the United States mail to your last known address which appears on our records.

(b) Current prospectuses for the Funds selected by the Account Owner for investment are available through the Portal. Paper copies will be made available upon request of the Account Owner.

(c) In addition, on a monthly basis, the Custodian shall periodically cause to be delivered electronically (or mailed, if you request and pay the applicable fee for paper statements, as stated in the applicable Health Savings Account Fee Schedule) to the Account Owner an account statement that identifies all Transactions affecting the Account during the relevant period and the account holdings as of the end of such period. Upon receipt, you should review your statement carefully. If the Account Owner has not given the Custodian written notice, in accordance with the terms of this Agreement or the PNC Benefit Plus Debit Card Agreement, of any exception or objection thereto, the account statement shall be deemed to have been approved and, in such case or upon the written approval of the Account Owner, the Custodian and the Funds shall be released, relieved and discharged with respect to all matters and statements set forth in such accounting as though the Account had been settled by judgment or decree of a court of competent jurisdiction.

#### **12.3 Amendments:**

The Custodian has the right to amend this Agreement at any time. Any amendment the Custodian makes to comply with the Code and related regulations, including retroactively, do not require the Account Owner's consent. The Custodian will give the Account Owner written notice of any amendment in accordance with applicable law or regulation. Continued use of your Account after the effective date of any amendment will be deemed consent to the amendment.

#### **12.4 Resignation, Assignment and Removal of Custodian:**

(a) The Custodian may resign at any time by giving at least thirty (30) days' written notice to the Account Owner. The Custodian may resign and appoint a successor custodian or trustee to serve under this Agreement or under another governing instrument selected by the successor custodian or trustee by giving the Account Owner written notice at least thirty (30) days prior to the effective date of such resignation and appointment, which notice shall also include a copy of such other governing instrument, if applicable, and the related disclosure statement. The Account Owner shall then have thirty (30) days from the date of such notice to either request a complete distribution of the Account balance or designate a different successor custodian or trustee. If the Account Owner does not request distribution of the Account or designate a different successor within such thirty (30) days, the Account Owner shall be deemed to have consented to the appointment of the successor custodian or trustee and the terms of any new governing

instrument, and neither the Account Owner nor the successor shall be required to execute any written document to complete the transfer of the Account to the successor custodian or trustee. The successor custodian or trustee may rely on any information, including beneficiary designations, previously provided by the Account Owner. The Custodian may, in its sole discretion, resign as Custodian of this Account in accordance with the first sentence of this paragraph, and in lieu of appointing a successor custodian or trustee; distribute the assets of the Account to the Account Owner (or to the Designated Beneficiary if the Account Owner has died). The Custodian shall not be liable for any actions or failures to act on the part of any successor custodian or trustee, nor for any tax consequences the Account Owner may incur that result from the transfer or distribution of the assets in the Account pursuant to this section.

(b) The Account Owner may at any time remove the Custodian and replace the Custodian with a successor custodian or trustee of the Account Owner's choice by giving thirty (30) days' written notice to the Custodian. In such event, the Custodian shall then deliver the assets of the Account as directed by the Account Owner. However, the Custodian may retain a portion of the assets of the Account as a reserve for payment of any anticipated remaining fees and expenses, ("Reserve") and shall pay over any remainder of this Reserve to the successor custodian or trustee upon satisfaction of such fees and expenses.

(c) The Custodian reserves the right to assign your Account without your prior consent provided that such assignee is qualified under the Code to be an HSA custodian or trustee. The Custodian will notify you if your Account is assigned to another custodian or trustee.

(d) Successors, Assigns and Agents. If the Custodian changes its name, reorganizes, merges with another organization (or comes under the control of any Federal or State agency), or if the Custodian is bought by another organization, that organization or agency shall automatically become the trustee or custodian of your Account, but only if it is the type of organization authorized to serve as an HSA custodian or trustee under the Code. If the new entity is not qualified to be an HSA custodian or trustee, the Account will be terminated effective as of the date the new entity takes control and all funds in your Account will be distributed in accordance with the termination provisions set forth herein.

#### **12.5 Custodian's Fees and Expenses:**

(a) The Account Owner agrees to pay the Custodian any and all fees specified in the Custodian's current Fee Schedule. The Custodian may change the Health Savings Account Fee Schedule, in its entirety or any part thereof, at any time by giving the Account Owner thirty (30) days' prior written notice. The most recent Health Savings Account Fee Schedule is attached to this Agreement.

(b) The Account Owner agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with the Account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, and any taxes of any kind whatsoever that may be levied or assessed with respect to such Account.

(c) All such fees, taxes, and other administrative expenses will be paid from the Account if not paid by the Account Owner or your employer, and you hereby authorize us to do so.

(d) In the event that for any reason the Custodian is not certain as to who is entitled to receive all or part of the Account, the Custodian reserves the right to withhold any payment from the Account, to request a court ruling to determine the disposition of the Account, and to charge the Account for any expenses incurred in obtaining such legal determination.

(e) The Custodian's fees and its expenses are in addition to the investment management fees and other expenses associated with the underlying Funds, which are described in the applicable prospectuses. The Account Owner should read the prospectus carefully before sending or contributing any money.

**12.6 Benefit to the Bank:**

(a) **Float on Uninvested Cash.** The Custodian maintains omnibus accounts – (i.e., in the form of a demand deposit and/or time deposit account (“DDA”)) – to facilitate the of custody accounts. Incoming deposits, including contributions, transfers and rollovers, are received into the Custodian's related omnibus DDA accounts by wire, ACH, check deposit or transfer. Deposits received into the omnibus account are credited to the appropriate custody account on the day that they are received and within standard guidelines. The “float period” with respect to deposits pending investment commences on the receipt of the applicable funds and ends when such funds are credited to the appropriate custody account, generally on the next business day. All distributions paid by check from custody accounts are drawn on an omnibus account. The float period commences on the payable date and ends when the check is presented for payment. Checks are mailed to the payee no later than the business day following payable date. Distributions or payments by direct deposit do not result in a float period. As part of its compensation for handling these, the Custodian anticipates benefiting from the use of the balances held in omnibus accounts during the float period at a rate that approximates the Federal Funds rate in effect at such time or times.

(b) **Earnings on Bank Deposits.** The Bank obtains financial benefits attributable to cash balances held in Bank deposits. This is because the Bank may invest these cash balances – for example, in loans to customers or investment securities – or use them to fund its general business activities. Any remaining U.S. funds are held at the Federal Reserve overnight and earn the Federal Funds Effective Rate less FDIC insurance and other associated costs, if any. Thus, the net benefit to the Bank on the cash balances held in Bank deposits is its earnings less the interest paid to the depositor. For information regarding when funds become available in your account, *please review Section 12.1 above titled “Contributions and Availability.”*

(c) The Custodian and its affiliates may earn additional fees in connection with the issuance of a Card or any services (including transfer agency or sub-transfer agency services) they provide to the underlying Funds.

(d) The Account Owner understands and agrees that the Custodian or its affiliates may benefit directly or indirectly from any credit, interest or earnings ("float") accrued on un-invested cash during a period of time in which a distribution check is outstanding, an investment transaction is pending, or any similar transaction is in progress. The Custodian may receive interest earnings on balances in the Bank Portion of your Account. The Custodian or its affiliates may receive interchange fees for the use of a Card. The fees may vary and are subject to change, but in all cases will be equal to or less than the highest possible fee allowed for all Card Transactions generally.

(e) You understand and acknowledge that the Custodian may make investments in deposits bearing a reasonable rate of interest in itself or an affiliate in accordance with Section 4975(d)(4) of the Code.

**12.7 Rollovers and Transfers:**

The Custodian shall have the right to receive rollover and transfer contributions as described in Article I of this Custodial Agreement. The Custodian will accept rollover or eligible transfer contributions only in the form of cash (e.g., check, ACH). In-kind rollover contributions are not permitted. The Custodian may also accept amounts transferred to your Account from the custodian or trustee of another HSA. However, the Custodian

reserves the right not to accept any transfer in its sole discretion. Any amounts received or transferred by the Custodian under this paragraph shall be accompanied by such records and other documents, as the Custodian deems necessary to establish the nature, value and extent of the assets and of the various interests therein.

**12.8 Distributions and Withdrawals:**

(a) Distributions from your Account may be made at any time upon your direction. Only your balance in the Bank Portion of your Account is eligible for withdrawal or distribution. Any assets invested in the Funds must be transferred to the Bank Portion before such assets are eligible for withdrawal or distribution. The Custodian is not responsible for determining whether the distributions for the Account Owner, spouse and Dependents are for Qualified Medical Expenses as defined in Section 213(d) of the Code. Generally, any attempted withdrawal using your Card in amounts that exceed the balance in the Bank Portion will be declined. For all other types of withdrawals, if your balance in the Bank Portion of your Account is not sufficient to cover the planned withdrawal and you have invested in Fund Shares, an automatic partial or total liquidation of your Fund Shares (on a pro rata basis) will be triggered to fund the distribution request. When making a distribution, you may wish to examine your balance in the Bank Portion of your Account and liquidate some amount of the Fund Shares to increase the balance in the Bank Portion of your Account to cover your distribution, if necessary. If your Account becomes overdrawn for any reason, you agree to repay us immediately the amount of the funds advanced to you. You authorize us to withhold funds from your Account equal to the overdraft to the extent that you have failed to inform the Bank of your intent to satisfy the overdraft with other funds.

(b) Although there currently are not limits, the Custodian reserves the right to limit the frequency and minimum dollar amount of withdrawals. The Custodian may request any withdrawals or transfers must be in writing on the form provided by the Custodian. The Account Owner is responsible for making all withdrawals in accordance with the Code and applicable regulations. Distributions shall be made in accordance with this Agreement and applicable law in the event of the Account Owner's death. The Custodian shall not be liable for any penalties or taxes related to withdrawals or distributions from the Account.

(c) Each Account Owner will be issued a Card to access the funds available in the Bank Portion. The Card and the PNC BeneFit Plus Debit Card Agreement, which describes the terms and conditions governing use of the Card (including all limitations of liability), will arrive under separate cover and are incorporated into and made part of this Agreement.

(d) You acknowledge that you may only take a distribution to the extent there are sufficient funds in your Account. You acknowledge and understand that the Custodian has no obligation to honor a distribution when there are insufficient funds in your Account. The Custodian reserves the right to pay distributions you make from your Account in any order it determines without regard to the method of withdrawal. The order in which you take distributions may not be the same as the order in which the Custodian posts those Transactions to your Account.

(e) If the Custodian fails to receive directions from the Account Owner regarding any Transaction or if the Custodian receives ambiguous directions regarding any Transaction, or the Custodian in good faith believes that any Transaction requested is in dispute, the Custodian reserves the right to take no action until further clarification acceptable to the Custodian is received from the Account Owner or the appropriate government or judicial authority. The Custodian shall not be responsible for losses of any kind that may result from the Account Owner's directions to the Custodian or the Account Owner's actions or failures to act. And

the Account Owner agrees to reimburse the Custodian for any losses it may incur as a result of such directions, actions or failures to act. The Custodian shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with the Account. In no event shall the Custodian be responsible to determine if contributions made by your employer to your Account meet the requirements for comparable contributions, the rules of which are set forth in the Code and IRS published guidance.

(f) Unless prohibited by applicable law, We may make distributions to third parties without Your authorization pursuant to levies, attachments or similar legal process or court orders with which we reasonably believe we should or must comply. We will not be liable to You for any such distributions, and You agree to indemnify and hold us harmless against any claims, losses, damages or expenses relating to such distributions.

#### **12.9 Representations and Responsibilities:**

(a) The Custodian is entitled to rely upon information and instructions received with respect to your Account, and has no obligation to make further investigation or inquiry except as required by law. The Account Owner represents and warrants that all information and instructions given to the Custodian by the Account Owner are complete and accurate and that the Custodian shall not be responsible for any incomplete or inaccurate information provided by the Account Owner or Account Owner's Designated Beneficiary(ies). The Account Owner agrees to be responsible for all tax consequences arising from contributions to and distributions from the Account and acknowledges that no tax or legal advice has been provided by the Custodian. You are solely responsible for determining your eligibility to participate in the HSA, more specifically this Account, including the amount and deductibility of contributions to or for distributions from your Account for federal and/or state income tax purposes. You are solely responsible for determining whether or not the health plan meets the requirements of a HDHP and whether any payments from your Account are used for Qualified Medical Expenses.

(b) Neither, the Custodian, its affiliates, or the Funds shall be responsible for any losses, penalties or other consequences to the Account Owner, Designated Beneficiary or any other person arising out of the making of, or the failure to make, any contribution or withdrawal.

(c) Neither the Custodian, its affiliates, or the Funds shall be liable (and neither assumes any responsibility) for the collection of contributions of the propriety of any contributions under this Agreement, or the purpose or propriety of any distribution made in accordance with the Account Owner's written instructions, which matters are the sole responsibility of the Account Owner. For clarification, the Account Owner is also solely responsible for any tax consequences of distributions initiated from the Account.

(d) By performing services under this Agreement, the Custodian is acting as your agent and is not acting in a discretionary or fiduciary capacity. You acknowledge and agree that nothing in this Agreement shall be construed to confer fiduciary status upon the Custodian for any purpose. Neither the Custodian nor any of its affiliates or other service providers shall provide any investment advice to you in connection with your Account nor do we or our service providers have any duty to review and monitor any Fund investments you hold in your Account. Although the Custodian reserves the right to replace any investment option at its sole discretion, the Custodian will have no duty to monitor or replace the Funds made available to the Account Owner as Account investments and the Custodian makes no representation as to the quality or performance of any investment options. The Custodian will have no liability or responsibility for the investment decisions made by you and shall not be liable for any loss with results from your exercise of investment control over your Account. You shall have and exercise exclusive responsibility and control over the investment of any funds within your Account, and the Custodian has no duty to question the investment directives provided by the Account Owner.

(e) The Account Owner, Designated Beneficiary, and their successors, heirs and assigns, including any executor or administrator of the beneficiary, shall, to the extent permitted by law, indemnify and hold the Custodian and the Funds and their successors and assigns harmless from any and all claims, actions or liabilities of the Custodian, resulting from any action taken by the Custodian in honoring your instructions, including but not limited to all verbal or facsimile instructions received with respect to your HSA, or any other costs, expenses or liabilities arising under the performance by the Custodian of its obligations under this Agreement, except such as may arise from the Custodian's own bad faith, negligence, nonfeasance, or willful misconduct or breach by the Custodian of its duties hereunder.

**12.10 Limitations of Liability:**

(a) The Custodian shall not be liable for any losses, damages, costs, penalties or expenses the Account Owner incurs as a result of the Account Owner's or any third party's failure to make contributions to the Account. The Custodian cannot enforce a third party's requirement to make contributions to the Account or notify the Account Owner regarding the same. Any agreement between the Account Owner and any third party, including the Account Owner's employer, is outside the scope of this Agreement. As such, the Account Owners are responsible for contacting any third party regarding its contributions and monitoring those contributions. The Custodian shall not be liable for any statements, representation, actions or inactions of any insurance agent or agency that sold the Account Owner an insurance plan in connection with the Account. Subject to the limitations of applicable laws and regulations, the Account Owner agrees to indemnify and hold the Custodian harmless from any and all liability, damage or cost (including attorney's fees) it may incur in connection with any Transaction, unless such liability is caused by the Custodian's gross negligence or willful misconduct.

(b) The Custodian shall not be deemed in default of this Agreement nor held responsible for any cessation, interruption or delay in the performance of obligations hereunder due to causes beyond our reasonable control, including, but not limited to, natural disaster, act of God, labor controversy, civil disturbance, disruption of the public markets, terrorism, war or armed conflict, equipment or utility failure, the inability to obtain sufficient materials or services required in the conduct of our business (including internet access) or any change in or the adoption of any law, judgment or decree.

(c) **Disputes Involving Your Account.** To the fullest extent permitted by law, the Account Owner shall be liable to the Custodian for any loss, costs, or expenses, including reasonable attorney's fees that the Custodian or its affiliates may incur as a result of any dispute involving your Account (including, without limitation Card Transactions). To the fullest extent permitted by law, you authorize the Custodian to deduct any such loss, costs or expenses from your Account without prior notice to you. This obligation includes disputes between the Custodian and the Account Owner involving the Account and situations where the Custodian becomes involved in disputes between the Account Owner and someone the Account Owner authorized to access the Account (including via the Card) or a third party claiming an interest in the Account, including without limitation any action which causes the custodian to seek the advice of counsel, even though the Custodian does not actually become involved in the dispute.

(d) **Limitation of Liability for Failure to Complete Transactions.** For the avoidance of doubt, neither the Custodian nor its affiliates will be liable to you or anyone claiming through you for failure to complete a particular distribution or withdrawal Transaction if:

- Through no fault of ours, you do not have a sufficient available balance in the Bank Portion to make the Transaction;



- Any device, card or computer system was not working properly and you knew about the breakdown when you started the transaction;
- Your Account is frozen (for example, because of a court order or other similar reason) and we are not permitted to make the Transaction;
- Circumstances beyond our control (such as fire or flood) prevent the transaction, despite the reasonable precautions that we have taken;
- You failed to use the device, card or computer system in accordance with instructions;
- We have limited or refused to complete the particular type of Transaction for security reasons; or
- We have reason to believe that the requested Transaction is unauthorized. There may be additional exceptions or limitations stated elsewhere in this Agreement, the PNC BeneFit Plus Debit Card Agreement, and other agreements or as otherwise notified to you by the Custodian.

(e) In Case of Errors or Questions about Transactions. Call PNC BeneFit Plus Consumer Services using the toll-free number located on your monthly account statement as soon as you can, if you think your Transaction history, Account statement or receipt is wrong or if you need more information about a transfer listed in your Transaction history, Account statement or receipt. For Card Transactions: See the PNC BeneFit Plus Debit Card Agreement for details. For all other Transactions: if you allege an error, you must provide us with a completed dispute form within sixty (60) calendar days after the date that the Transaction allegedly in error was debited or credited to the Account. To receive a dispute form, please call PNC BeneFit Plus Consumer Services using the toll-free number located on your monthly account statement. The dispute form must be mailed or faxed back to us at the address listed on the bottom of the form or emailed to [pncbenefitplus@healthaccountservices.com](mailto:pncbenefitplus@healthaccountservices.com). We will notify you via telephone or email when the result of your dispute has been resolved. If you need more information about our error-resolution procedures, call PNC BeneFit Plus Consumer Services using the toll-free number located on your monthly account statement.

(f) Unauthorized Transactions. Tell us at once if you believe a Transaction has been, or will be, made without your permission. You could lose all the money in the Account to which you have access. Calling us is the best way of keeping your possible losses to a minimum. Tell us at once if your Transaction history or Account statement indicates a Transaction that you did not make. You will not be liable for any unauthorized use of your Account if you notify us of the unauthorized use by calling PNC BeneFit Plus Consumer Services, using the toll-free number located on your monthly account statement and provide us with a completed dispute form for the alleged unauthorized Transaction within sixty (60) calendar days (ninety (90) calendar days for Card Transactions) after the date that the alleged unauthorized Transaction was debited or credited to the Account. Please call PNC BeneFit Plus Consumer Services, using the toll-free number located on your monthly account statement to receive the appropriate dispute form.

(g) The dispute form must be mailed or faxed back to us at the address listed on the bottom of the form or emailed to us at [pncbenefitplus@healthaccountservices.com](mailto:pncbenefitplus@healthaccountservices.com).

(h) THE CUSTODIAN SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES, LOSSES, COSTS OR EXPENSES OF ANY TYPE OR NATURE, REGARDLESS OF THE FORM OF THE ACTION OR THEORY OF RECOVERY, EVEN IF THE CUSTODIAN HAS BEEN ADVISED OF THE POSSIBILITY OF ANY OF THE FOREGOING. EXCEPT AS SET FORTH IN THIS AGREEMENT, THE CUSTODIAN DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES WHETHER EXPRESS, STATUTORY OR IMPLIED.

**12.11 Designated Beneficiary and Authorized Contact:**

(a) Except as may be otherwise required by state law, in the event of the Account Owner's death, the balance in the Account shall be paid to the beneficiary or beneficiaries designated by the Account Owner on a beneficiary designation form acceptable to and filed with the Custodian. The Account Owner may change the Designated Beneficiary or beneficiaries at any time by filing a new beneficiary designation with the Custodian. If no beneficiary designation is in effect, if none of the named beneficiaries survive the Account Owner, or if the Custodian cannot locate any of the named beneficiaries after reasonable search, any balance in the Account will be payable to the Account Owner's estate. If the Account Owner's Designated Beneficiary is his or her spouse, the spouse may elect to treat this Account as the spouse's own HSA.

(b) you may select any individual, including your spouse, to act as an Authorized Contact on your Account. Your Account can never have more than one Authorized Contact. You will provide any information we request regarding the Authorized Contact, including, but not limited to, their name, address, social security number, date of birth and phone number. You understand and agree that, upon verification of their identity by us, the Authorized Contact will only be allowed to: (i) receive Account information which shall include balances, transaction activity, and information about you, the Account Owner; or (ii) request a replacement debit card if the Authorized Contact is also an eligible dependent on the Account, and their card is lost or stolen.

You also understand that you are solely responsible for the actions taken by your Authorized Contact and you shall not have any claim against us for the consequences resulting from actions taken by the Authorized Contact. You may remove the existing Authorized Contact at any time by following the instructions provided on the Authorized Contact Form.

The Custodian, however, reserves the right to limit the number of times you may add or remove your Authorized Contact.

**12.12 Return of Mistaken Distributions:**

An Account Owner may repay to his or her Account distributions made on account of a reasonable mistaken belief that an expense paid or reimbursed by the Account was a qualified medical expense no later than April 15th of the year following the year the Account Owner knew or should have known that the distribution was a mistake but in no event later than June 30th of the year following the year the distribution was made. The Custodian may rely on the Account Owner's representation that the distribution was a mistaken distribution that qualifies for a return as provided herein.

**12.13 Liquidation of Assets:**

The Custodian reserves the right to liquidate the assets in the Account if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against the Account. If an Account Owner fails to direct the Custodian as to which assets to liquidate, the Custodian will decide in its complete and sole discretion and the Account Owner agrees not to hold the Custodian or its affiliates liable for any adverse consequences that result from that decision.

**12.14 Investment Provisions:**

All contributions to the Account unless otherwise required by this HSA program shall be invested and reinvested by the Custodian as directed by the Account Owner.

**12.15 Nominee:**

The shareholder of record of all Fund Shares, as reflected on the books and records of each Fund, shall be the Custodian or its nominee.

**12.16 Termination:**

This Agreement shall terminate coincident with the complete distribution of the assets of the Account.

**12.17 Agents:**

The Custodian is authorized to hire agents (including any transfer agent for Fund Shares) to perform any of its duties under this Agreement.

**12.18 Income Taxes:**

The Custodian shall be responsible solely for the performance of those duties expressly assigned to it in this Agreement and by operation of law. In determining the taxable amount of a distribution, the Account Owner shall rely only on his or her federal tax records.

**12.19 Information:**

If your employer has made this product available to you, you hereby authorize the Custodian to provide information about your Account, including your Account Number, to your employer (if applicable) and those acting on behalf of your employer or the Custodian (if applicable), in connection with the establishment and maintenance of your Account. You acknowledge that your employer and all other acting on behalf of your employer (if applicable), may also provide information to the Custodian on your behalf to establish and maintain your Account.

**12.20 Account Closure:**

We reserve the right to close your account at any time for any reason upon (30) days prior written notice to your address of record. We are not required to give you advance notice to close your account if:

- (i) your Account balance reaches \$0 and remains at \$0 for several consecutive months, in accordance with;
  - the Bank policy, (that is, no contributions or withdrawals have been made to or from the Account
  - during that time);
- (ii) your Account statement has been returned to us by the post office as undeliverable for any reason; you fail to pay any ongoing administration, maintenance or other fees when due as outlined in the Health Savings Account Fee Schedule; or
- (iii) you fail to promptly make a contribution equal to or reimburse us for any overdrafts in accordance with notice provided to you by the Bank; or
- (iv) we determine that the account should be closed to prevent suspected or actual fraudulent activity.

**ARTICLE XIII- PRIVACY, CALL RECORDING; CONSENT FOR SERVICE CALLS**

**13.1** The Custodian shall maintain the confidentiality of your information in accordance to with applicable laws. In addition, non-public personal information shall only be disclosed: (i) as necessary to provide services related to your Account under this Agreement; (ii) as required by law; and (iii) as requested by the Account Owner. You agree to cooperate with us in any record keeping and reporting which we believe to be necessary to fulfill government requirements. A copy of the Custodian's Privacy Policy is provided as part of the account opening process. You may also view the Custodian's Privacy Policy at [www.smart-hsa.com/pnc/](http://www.smart-hsa.com/pnc/).

**13.2** By providing telephone number(s) to us at any time, you authorize us and our affiliates and designees to contact you regarding the Account, your Card and any other personal account(s) or business account(s) for which you are an authorized signer, whether the account(s) are with us or our affiliates, at such

numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or by sending prerecorded messages or text messages, even if charges may be incurred for the calls or text messages; and you consent that any phone call with us may be monitored or recorded by us.

#### **ARTICLE XIV- ARBITRATION**

**READ THIS ARBITRATION PROVISION CAREFULLY: IT WILL IMPACT HOW LEGAL CLAIMS YOU AND WE HAVE AGAINST EACH OTHER ARE RESOLVED.** Under the terms of this Arbitration Provision, and except as set forth below, Claims (as defined below) will be resolved by individual (and not class-wide) binding arbitration in accordance with the terms specified herein, if you or we elect it.

#### **YOUR RIGHT TO OPT OUT; EFFECT OF ARBITRATION.**

**This Arbitration Provision will apply to you and us and to your Account as of the date your Account was opened (or, if you are an existing customer, as of the date of this Agreement), unless you opt out by providing proper and timely notice as set forth below. If a Claim is arbitrated, neither you nor we will have the right to: (1) have a court or a jury decide the Claim; (2) engage in information-gathering (discovery) to the same extent as in court; (3) participate in a class action, private attorney general or other representative action in court or in arbitration; or (4) join or consolidate a Claim with those of any other person.**

**This Arbitration Provision will survive the termination of this Agreement. See further details below.**

#### **Definitions**

**“We,” “Us” and “Our.”** Solely as used in this Arbitration Provision, the terms “we,” “us” and “our” also refer to (1) our employees, officers, directors, parents, controlling persons, subsidiaries, affiliates, predecessors, acquired entities, successors and assigns; and (2) any failed bank to the extent of the assets acquired by us or our affiliates.

**“Account.”** For purposes of this Arbitration Provision, “Account” refers to your Health Savings Account established under Section 223(a) of the Internal Revenue Code with us and the features and services provided in connection with it or them. “Account” also refers, collectively and separately, to the Bank Portion and Investment Option.

**“Claim.”** A “Claim” subject to arbitration is any demand, cause of action, complaint, claim, asserted right, or request for monetary or equitable relief, whether past, present or future, and based upon any legal theory, including contract, tort, consumer protection law, fraud, statute, regulation, ordinance, or common law, which arises out of or relates to this Agreement, your Account or Accounts, the events leading up to your becoming an Account Owner, (for example, advertisements or promotions), any feature or service provided in connection with your Account or Accounts, or any transaction conducted with us related to any of your Accounts.

Notwithstanding the foregoing, the term “Claim” excludes: (a) any dispute or controversy about the validity, enforceability, coverage or scope of this Arbitration Provision or any part thereof, including the Class Action Waiver below (a court will decide such disputes or controversies); and (b) any individual action brought by either party in small claims court or your state’s equivalent court, unless such action is transferred, removed or appealed to a different court.

#### **Arbitration Procedures**

**a. Agreement to Arbitrate Claims.** Except if you opt out as provided below, you and we may elect to arbitrate any Claim.

**b. Electing arbitration.** If you or we elect to arbitrate a Claim, the party electing arbitration must notify the other party in writing (the "Notice"). Your Notice to us shall be sent to PNC Bank, N.A., ATTN: Notice of Arbitration Dept. - PNC BeneFit Plus HSA, P.O. Box 2865, Fargo, ND 58108-2865, (the "Notice Address"). Our Notice to you shall be sent to the most recent address for you in our files. Any arbitration hearing that you attend will take place in a venue in the county where you reside unless you and we agree otherwise. If a party files a lawsuit in court asserting a Claim and the other party elects arbitration, such Notice may be asserted in papers filed in the lawsuit (for example, a motion by the defendant to compel arbitration of Claims asserted by the plaintiff in a lawsuit filed in court). In the event that a court grants a motion to compel arbitration, either party may commence the arbitration proceeding in accordance with the rules and procedures of the arbitration administrator specified in this section.

**c. Arbitration costs.** We will pay the filing, administrative and/or arbitrator's fees ("Arbitration Fees") that we are required to pay pursuant to the administrator's rules or the law. In addition, with respect to Arbitration Fees that you are required to pay under the administrator's rules in connection with an individual arbitration you have commenced against us, (i) if the amount of your Claim does not exceed \$75,000 and we receive a written request by you at the Notice Address, we will pay or reimburse you for your payment of said Arbitration Fees; (ii) if the amount of your Claim exceeds \$75,000 and we receive a written request by you at the Notice Address, we will consider paying said Arbitration Fees if you are unable to pay them and cannot obtain a waiver or reduction of them from the arbitration administrator.

**d. Arbitration administrator and rules.** The party electing arbitration must choose between one of two administrators: (1) the American Arbitration Association ("AAA"), or (2) JAMS. The administrator chosen will apply its rules and/or codes of procedures in effect at the time arbitration is elected. You may obtain a copy of the rules/codes, and more information about initiating an arbitration, by (1) contacting AAA at 1-800-778-7879 or visiting [www.adr.org](http://www.adr.org), or (2) contacting JAMS at 1-800-3525267 or visiting [www.jamsadr.com](http://www.jamsadr.com). The arbitrator is bound by the terms of this Agreement. If neither AAA nor JAMS can serve, the parties may agree on another administrator, or a court may appoint one.

**e. What law the arbitrator will apply.** The arbitrator will not be bound by judicial rules of procedure and evidence that would apply in a court, or by state or local laws that relate to arbitration proceedings. However, the arbitrator will apply the same statutes of limitation and privileges that a court would apply if the matter were pending in court. In determining liability or awarding damages or other relief, the arbitrator will follow the applicable substantive law, consistent with the Federal Arbitration Act (FAA), that would apply if the matter had been brought in court.

**f. The arbitrator's decision and award; attorney fees.** At the timely request of either party, the arbitrator shall provide a brief written explanation of the grounds for the decision. The arbitrator may award any damages or other relief or remedies that would apply under applicable law, as limited in Section (e.) above, to an individual action brought in court. In addition, with respect to claims asserted by you in an individual arbitration, we will pay your reasonable attorney, witness and expert fees and costs if and to the extent you prevail, or if applicable law requires us to do so.

**g. Effect of arbitration Award; appeal.** The arbitrator's award shall be final and binding on all parties, except for any right of appeal provided by the Federal Arbitration Act.

#### **Federal Arbitration Act**

This Agreement evidences a transaction in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this Arbitration Provision.

#### **CLASS ACTION WAIVER**

**If either you or we elect to arbitrate a Claim, neither you nor we will have the right: (a) to participate in a class**

action, private attorney general action or other representative action in court or in arbitration, either as a class representative or class member; or (b) to join or consolidate Claims with claims of any other persons. No arbitrator shall have authority to conduct any arbitration in violation of this provision or to issue any relief that applies to any person or entity other than you and/or us individually. The parties acknowledge that the Class Action Waiver is material and essential to the arbitration of any Claims and is non-severable from this Arbitration Provision. If the Class Action Waiver is voided, found unenforceable, or limited with respect to any Claim for which you seek class-wide relief, then the parties' Arbitration Provision (except for this sentence) shall be null and void with respect to such Claim, subject to the right to appeal the limitation or invalidation of the Class Action Waiver. However, this Arbitration Provision shall remain valid with respect to all other Claims. The parties acknowledge and agree that under no circumstances will a class action be arbitrated.

#### **Conflicts; Severability; Survival**

This Arbitration Provision is intended to be broadly interpreted. In the event of a conflict between the provisions of this Arbitration Provision and the AAA or JAMS rules, or any other terms of the Agreement, the provisions of this Arbitration Provision shall control. If any part of this Arbitration Provision is deemed or found to be unenforceable for any reason, the remainder shall be enforceable, except as provided by the Class Action Waiver. This Arbitration Provision shall survive (1) the closing of your Account and the termination of any relationship between us, including the termination of the Agreement, and (2) survive any bankruptcy to the extent consistent with applicable bankruptcy law.

#### **RIGHT TO OPT OUT**

You may opt out of this Arbitration Provision by calling us toll free using the number listed on the back of your HSA debit card, or by sending us a written notice which includes your name(s), Account number, and a statement that you (both or all of you, if more than one) do not wish to be governed by the Arbitration Provision in your Custodial Account Agreement (the "Opt Out Notice"). To be effective, your written Opt Out Notice must be (1) sent to us by first class mail or certified mail, return receipt requested, at PNC Bank, N.A., ATTN: Arbitration Opt Out, PNC Benefit Plus HSA, P.O. Box 2865, Fargo, ND 58108-2865, and (2) signed by you (or both of you, if more than one) including the information set forth above. We must receive your telephone call or written notice within forty-five (45) days after we first provide this Arbitration Provision to you, either (i) if you are an existing Account Owner the date we mail it to you in paper form, or deliver it to you in electronic form, or (ii) if your Custodial Account Agreement includes this Arbitration Provision when you open your Account, the day you open your Account.

Your decision to opt out will not affect any other provision of this Agreement.



<b>FACTS</b>	<b>WHAT DOES PNC DO WITH YOUR HEALTH SAVINGS ACCOUNT PERSONAL INFORMATION?</b>
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>▪ Social Security number and income</li> <li>▪ Account balances and account transactions</li> <li>▪ Credit scores and payment history</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons PNC chooses to share, and whether you can limit this sharing.

<b>Reasons we can share your personal information</b>	<b>Does PNC share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes —</b> such as to process your transactions, maintain your account(s), conduct portfolio analysis, respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes —</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes —</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes —</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For non-affiliates to market to you</b>	No	We don't share

<b>Questions?</b>	Call 1-844-356-9993
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**Who we are**

<b>Who is providing this notice?</b>	PNC Bank, National Association
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**What we do**

<b>How does PNC protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Additionally, PNC requires and trains its employees to comply with its privacy standards and policies, which are designed to protect customer information.
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<b>How does PNC collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>▪ open an account or deposit money</li> <li>▪ pay your bills or apply for a loan</li> <li>▪ use your credit or debit card</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
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<b>Why can't I limit sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes — information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for non-affiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
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**Definitions**

<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>▪ <i>Our affiliates include companies with the PNC name, and financial companies such as Harris Williams, LLC.</i></li> </ul>
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<b>Non-affiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>▪ <i>PNC does not share with non-affiliates so they can market to you.</i></li> </ul>
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<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>▪ <i>Our joint marketing partners include mortgage and lending companies, insurance companies, and other companies that provide financial products and services.</i></li> </ul>
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**Other important information**

**Health Savings Account Customers** — Please see the PNC privacy notice, WHAT DOES PNC DO WITH YOUR PERSONAL INFORMATION?, if you have other account relationships with PNC. **All statements to Federal Law mentioned above reference U.S. Federal Law. California and Vermont:** If your account has a California or Vermont billing address, we will automatically limit sharing your information with affiliates and non-affiliates or for joint marketing with other financial companies. **Nevada Residents Only:** This notice is provided to you pursuant to state law. To stop marketing calls from us follow the directions in the section "To limit our sharing" to be placed on the PNC do not call list. Nevada law requires that we also provide you with the following contact information: Office of the Nevada Attorney General, 100 North Carson Street, Carson City, NV 89701; telephone: 1-775-684-1100; email: [inquiries@ag.nv.gov](mailto:inquiries@ag.nv.gov). PNC Benefit Plus Consumer Services, c/o Health Account Services, P.O. Box 2865, Fargo, ND 58108-2865; telephone: 1-844-356-9993; email: [pncbenefitplus@healthaccountservices.com](mailto:pncbenefitplus@healthaccountservices.com). **Important information about phone calls, texts, prerecorded and email messages:** If, at any time, you provide to PNC Bank, its affiliates or designees (PNC) contact numbers that are wireless telephone number(s) including, but not limited to, cell or VoIP numbers, you are consenting to PNC using an automated dialing system to call or text you, or to send prerecorded messages to you, in order to service, and collect on, any PNC personal account(s) and business account(s) (for which you are an authorized signer, guarantor or designated contact person) but not to market to you. For any type of phone calls with PNC, you consent that the call may be monitored or recorded for quality control and training purposes. By providing your email address, you consent to receive electronic mail from PNC.



# PRIVACY NOTICE TO CALIFORNIA RESIDENTS

**Last Updated Date: April 20, 2021**    **Effective Date: January 1, 2020**

## Changes to Our California Privacy Notice

PNC will update this notice in response to changing legal, technology, or business developments. We will post the most up-to-date notice on [pnc.com/privacy](https://pnc.com/privacy). You can see when the notice was last updated by checking the “last updated” date displayed at the top. For questions, please contact PNC as noted below.

The California Consumer Privacy Act (CCPA) requires us to notify California residents (unless an exemption applies) of the categories of personal information we collect about them, with reference to the categories set forth under the CCPA, and the purposes for which we will use such categories of personal information.

**Categories of Personal Information Collected:** The relevant categories of personal information PNC may collect about California residents includes:

- **Identifiers:** such as real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol (IP) address, email address, account name, Social Security Number, driver's license number, passport number, or other similar identifiers.
- **Customer records:** such as paper and electronic customer records containing personal information, such as name, signature, Social Security Number, physical characteristics or description, etc.
- **Protected classifications under California or federal law:** such as age, race, color, ancestry, national origin, citizenship, religion or creed, marital status, medical condition, physical or mental disability, etc.
- **Commercial information:** such as records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.
- **Biometric information:** such as genetic, biological characteristics, etc. such as, fingerprints.
- **Internet or other electronic network activity information:** such as browsing history, search history, website interaction, etc.
- **Geolocation data:** such as physical location or movements.
- **Sensory data:** such as audio, electronic, visual, thermal, olfactory, or similar information.
- **Employment information:** such as current or past job history or performance evaluations.
- **Profiles or inferences:** such as profiles reflecting a person's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.

**Purposes of Use:** We may use the above categories of personal information as follows:

- To provide the services for which the information was provided, including to maintain and administer any accounts you open with us and to process transactions and payments.
- For authentication, identify verification, and fraud prevention and detection.
- To respond to or address your questions and investigate and resolve any issues.
- To personalize your experience using our websites and services.
- To improve and develop products and services and for other research and analytics purposes.
- To respond to authorized regulatory, compliance, and legal process.
- To evaluate or conduct a merger or to sell or transfer some or all of PNC's assets.
- To protect and defend our rights and interests and those of third parties, including in defense of litigation and other claims against us.

**Not covered by this Notice:** This Notice does not address or apply to any of the nonpublic information we collect about consumers, pursuant to the Gramm-Leach-Bliley Act (GLBA) or otherwise subject to an exemption under CCPA Section 1798.145. For information, please review our Privacy Notice.

For more details and information about the personal information we collect and how we collect, use and disclose such personal information (as defined by the CCPA) and your rights regarding such personal information, please call 1-888-PNC-BANK (1-888-762-2265) or visit us at [pnc.com/privacy](https://pnc.com/privacy).

A Spanish version of this document is available at [pnc.com/privacy](https://pnc.com/privacy) as a courtesy to our clients who use Spanish as their primary language. Although PNC has taken every precaution possible to translate the original document correctly, the Spanish translation is only a courtesy to our clients. Please take note that all official documents from PNC will be in English only.