

Health Savings Brokerage Account (HSBA)

Powered by Charles Schwab



Your HealthEquity Health Savings Account offers flexibility over how you invest your health savings, tax-free. You now have the option to invest through the Schwab HSBA.

Frequently Asked Questions

Can I invest through both the Schwab HSBA and the mutual fund portfolio?

Yes. The self-directed Schwab HSBA is built to complement the existing HealthEquity Investments. You have several options: Invest in mutual funds made available with HealthEquity, invest with just the Schwab HSBA, or invest your HSA dollars in both mutual funds available through HealthEquity and the Schwab HSBA.

Is there an additional cost to investing with the Schwab HSBA?

The Schwab HSBA is offered at no additional cost from HealthEquity. The standard monthly investment administration applicable for your account is charged on the average daily invested balance applies to the balance of all invested assets, including assets held in both the Schwab HSBA and HealthEquity Investments.

There is no charge from Schwab to open or maintain the Schwab HSBA.

Transaction fees and trading commissions are outlined in the [Charles Schwab Pricing Guide for Health Savings Accounts](#) provided in the welcome materials you will receive from Schwab once you open your account.

Who can enroll in a Schwab HSBA?

The Schwab HSBA is available to all members who are enrolled in an HSA and have a cash balance that exceeds their investment threshold. It is most appropriate for a knowledgeable, experienced investor who understands the risks associated with many of the investment choices available through the Schwab HSBA and who is committed to staying invested for the long term. The Schwab HSBA is designed for individuals seeking more flexibility, increased diversification, and a greater role in managing their HSA.

How is a Schwab HSBA different from a typical brokerage account?

The Schwab HSBA is different from a typical retail brokerage account in that it is part of your HSA. Transfers to and from your Schwab HSBA are initiated from your HealthEquity online account and withdrawals from your Schwab HSBA are only able to be transferred to your HealthEquity HSA. Since your Schwab HSBA assets are part of a HSA, the interest, or other earnings on these assets in the account are tax-free.¹

What investment options are available with the Schwab HSBA?

You can invest and trade commission-free listed ETFs and stocks on the U.S. exchanges across all mobile, automated phone, and web trading channels. You can also access more than 8,700 mutual funds and over 3,800 mutual funds are available with no loads and no transaction fees.

Schwab HSBA may not include trading on collectibles, currencies, precious metals, real estate, futures, commodities, private placements, alternative investments, structured products, Charles Schwab corporate debt, margin accounts, or short sales.

Additional restrictions apply with your HealthEquity integrated Schwab HSBA: These restrictions prevent trading on debt securities, money market funds, limited partnerships, foreign stocks, securities issuing K-1, leveraged/inverse ETFs, and options.

Is Advisor, available from HealthEquity Advisors LLC, accessible to provide guidance on investment selections within the Schwab HSBA?

No. The Schwab HSBA is a self-directed brokerage option. Members are responsible for making their own investment decisions. Advisor services provided by HealthEquity Advisors, LLC are only available to support your portfolio decisions within available HealthEquity investment options.²

You can authorize your own investment advisor to trade on your behalf by completing a [Schwab HSBA Limited Power of Attorney](#) (LPOA) for an Investment Advisor or an [HSBA Limited Trade Authorization](#) form. Please contact Schwab's dedicated HSBA Contact Center at 1-800-472-0084 for additional support.

Will having a Schwab HSBA affect my taxes?

Transferring funds between your HealthEquity HSA and your Schwab HSBA will not incur any tax implications. Once funds are available in your HSBA, you can invest them. If your investment balance increases, you will not be taxed on the growth.

Although you can transfer funds to your HealthEquity HSA and take money out of the HSA at any time, there may be tax implications if the money is not used for qualified medical expenses.

How will I access tax forms for my Schwab HSBA?

Given the tax-advantaged nature of the Schwab HSBA, a 1099 form is not generated if you are enrolled in the Schwab HSBA. You can continue to access HSA tax documents provided by HealthEquity from your HealthEquity account. To do so, log into your account and click 'Tax Forms & Statements' under **Manage Account**.

I have a Schwab HSBA with another HSA administrator. How can I transfer funds from my previous HSBA to my new Schwab HSBA with HealthEquity?

To move funds to your Schwab HSBA through HealthEquity, you will first need to liquidate your current Schwab HSBA. Then complete a transfer request using the [HealthEquity Transfer Request Form](#) to consolidate your health savings into your HealthEquity HSA. Finally, once the asset transfer is complete, you can fund your new brokerage account directly from your HealthEquity account.

Transferred funds are eligible for HealthEquity's [double interest](#) promotion within your HSA cash account.

Will I incur trading fees if I sell assets invested with the Schwab HSBA and request to transfer funds from my other HSA to my HealthEquity HSA?

Depending upon the assets you are invested in, trading fees may apply to sell your investments to initiate a transfer of the funds to your HealthEquity HSA. Additional fees may apply if you receive broker assistance from Charles Schwab to execute the sell trade. All transaction fees and trading commissions are outlined in the [Charles Schwab Pricing Guide for Health Savings Accounts](#).

Can I make direct payroll contributions to my Schwab HSBA connected to my HealthEquity HSA?

No. Your payroll contributions can only be made to your HealthEquity HSA. From there, you can transfer funds to your Schwab HSBA.

Can I automate transfers from my HealthEquity HSA to my Schwab HSBA?

No, automatic transfers to the Schwab HSBA are not available currently. Automatic transfers to your HealthEquity Investments account are available. You can initiate transfers to your Schwab HSBA from the HealthEquity Investment Desktop.

¹ HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax-deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules

² Investments are subject to risk, including the possible loss of the principal invested and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. HSA holders may select Vanguard funds for investment through the HealthEquity investment platform but HealthEquity, Inc. does not provide investment advice. HealthEquity Advisors, LLC, a wholly owned subsidiary of HealthEquity, Inc. and an SEC-registered investment adviser, provides web-based investment advice to HSA holders that subscribe for its services (minimum thresholds and additional fees apply). Registration does not imply endorsement by any state or agency and does not imply a level of skill, education, or training. Investing may not be suitable for everyone. You should carefully consider the investment objectives, risks, charges, and expenses of any mutual fund before investing. A prospectus and, if available, a summary prospectus containing this and other important information can be obtained by visiting the Vanguard website at [vanguard.com](https://www.vanguard.com). Please read the prospectus carefully before investing.

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