



# High-Yield interest option for your HSA cash balance

## 1. What is the High-Yield interest option?

The High-Yield interest option enables you to earn higher interest on your HSA by having your cash balance held in a deposit account that is backed by a highly rated insurance company, Pacific Life Insurance Company (“Pacific Life”).

## 2. Why is this option offered?

The Difference Card HSA is a lifetime savings vehicle that delivers value for everyone, regardless of whether you’re a spender, saver, or investor. We often talk about investments as a mechanism to maximize the long-term value of your HSA, but this new High-Yield interest option is a great way to take advantage of enhanced interest rates and maximize the savings potential of your HSA cash balance too.

## 3. What are the interest rate tiers associated with the High-Yield interest option as compared to the Traditional interest option?

Interest rates are tiered based on the account balance with higher account balances earning greater interest. Interest rates are set by WealthCare Saver as the custodian of your HSA and are subject to change. Current interest rates and tiers for the High-Yield and Traditional interest options are:

High-Yield Interest Option

Account Balance	Interest Rate	Annual Percentage Yield
\$0.01 - \$1,999.99	0.15%	0.15%
\$2,000.00 - \$9,999.99	0.30%	0.15% - 0.27%
\$10,000.00 - \$24,999.99	0.60%	0.27% - 0.47%
\$25,000.00 or greater	1.00%	0.47% - 1.00%

Traditional Interest Option

Account Balance	Interest Rate	Annual Percentage Yield
\$0.01 - \$1,999.99	0.05%	0.05%
\$2,000.00 - \$9,999.99	0.10%	0.05% - 0.09%
\$10,000.00 - \$24,999.99	0.20%	0.09% - 0.16%
\$25,000.00 or greater	0.40%	0.16% - 0.40%

## 4. What are the main differences between the new High-Yield interest option and the Traditional interest option?

- **Your interest earning potential:** The High-Yield interest options offers you the potential to earn a much higher interest rate on your cash balance.
- **Where your HSA balance is held:** With the High-Yield interest option, instead of being held by a bank, your HSA cash account funds are held in a deposit account that is backed by a highly rated insurance company, Pacific Life.

In the **Traditional option**, your deposits are insured by the FDIC for up to \$250k.

In the **High-Yield option**, your deposits are not insured by the FDIC.

## 5. With High-Yield, how is my money kept safe?

Insurance companies, including Pacific Life, are highly regulated by each state to ensure they can cover all their obligations to account holders. The risk of having an account at any depository institution (whether it's an HSA or a standard bank account) is that the company responsible for holding the money is unable to cover its obligation to account holders. No assurance can be given that Pacific Life will not encounter financial difficulties that make it unable to honor its obligations to its policyholders.

## 6. Who is Pacific Life, and how can I learn more about them?

Pacific Life is an insurance company who provides a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals and businesses. They are highly trusted for their ability to deliver strong and stable products, with more than half of the 100 largest U.S. companies as their clients. They have exceptional company ratings from all major rating agencies and manage over \$209B in assets.

- Overall information about Pacific Life can be found at: <https://www.pacificlife.com/content/pl-corp/home/about.html>
- Deeper information on Pacific Life's financial performance and ratings can be found at: <https://www.pacificlife.com/home/about/insurance-ratings-and-financials.html>

## 7. Is the Traditional interest option being eliminated?

No. We want to provide you with options to maximize the value of your account, but we ultimately want you to decide what choice is best for you.

## 8. When will the new High-Yield interest option be available?

Effective May 15, 2023, you will have the opportunity to decide the interest option that works best for you: Traditional or High-Yield.

## 9. How can I update my interest option preferences?

To update your preference, simply log onto The Difference Card mobile app or participant portal, go to your HSA account summary, and click on 'interest options' to make your selection (or change it at any time).

## 10. Will my account number or debit card change if I change my interest option?

No. Choosing a different interest option does not open a new HSA account or change your account experience. You keep the same account number and debit card, and continue to access your account via the same portal and mobile app.

## 11. Is there a limit to the number of times I can change my preference?

No. You can update your interest option preference as often as you would like. When your preference is updated, the interest rates associated with your new selection will take effect immediately.

## 12. Are there any fees associated with each of the interest options?

The interest option you choose has no impact on account fees. There are no additional fees associated with either of the interest options.

## 13. How do I view the terms and conditions governing my HSA High-Yield interest option?

[Click here](#) to view the terms and conditions governing your HSA.

*WealthCare Saver is a dba of Alegeus Technologies, LLC, a licensed Non-Bank Custodian.*

*We will determine the applicable interest rate payable on the balance of your Deposit Account. At our discretion, we may at any time change the interest rate and annual percentage yield. We will provide you with notice of any such change in accordance with applicable laws. The interest rate paid with respect to your HSA may be higher or lower than the interest rate available to depositors making deposits at depository institutions in comparable accounts. In addition, we reserve 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 Interest Rate disclosure.*

*WealthCare HSA High-Yield is not FDIC-insured and may result in a loss of the principal and accrued interest. Pacific Life Insurance Company is an insurance company organized under the laws of Nebraska and regulated by the Nebraska Insurance Department. Nevertheless, no assurance can be given that Pacific Life Insurance Company will not encounter financial difficulties and will not be able to honor its obligations to its policyholders. In such event, you may lose all or some of the balance in WealthCare HSA High-Yield. Custodian shall have no liability for any such loss.*

**Call us at (888) 343-2110 to learn more**