



High-Yield interest option for The Difference Card HSA account holders

1. What is the High-Yield interest option?

The High-Yield interest option enables your employees to optimize the value of their HSA by having their HSA 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 the High-Yield interest option being introduced?

The Difference Card HSA is a lifetime savings vehicle that engages and delivers value for all consumers, regardless of where they are in their healthcare journey: saving, spending, or investing. This exciting new feature is a key component of The Difference Card HSA experience that allows participants to take advantage of higher interest rates on their HSA cash balance, maximizing the value of their savings while maintaining their ability to spend or invest their funds.

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 HSA custodian 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?

- **Interest earning potential:** The High-Yield interest option offers employees the potential to earn a higher interest rate on their cash balance.
- **Where the HSA balance is held:** With the High-Yield interest option, instead of being held by a bank, 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**, deposits are insured by the FDIC for up to \$250k.

In the **High-Yield option**, deposits are not insured by the FDIC but rather by the stability of the insurance partner supporting the deposit account. Insurance companies are highly regulated by each state to ensure they can cover all their obligations to account holders.

5. 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>

6. Can employees choose which type of interest rate schedule they want to be in?

Yes. The Difference Card HSA participants will have the option to place their funds in either a High-Yield interest option or Traditional interest option (FDIC-insured deposit account). Employees will have the ability to switch between the High-Yield interest option and the Traditional interest option at any time, as often as they would like, directly in The Difference Card mobile app or portal.

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

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

8. How do employees update their interest option preference?

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

9. Is the Traditional interest option being eliminated?

No. The purpose of this new feature is to provide maximum flexibility to your HSA employees in the form of two different interest options.

10. Will an employee's account number or debit card change if they change their interest option?

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

11. Is there a limit to the number of times an employee can change their preference?

No. Employees can update their preference as often as they would like. When their preference is updated, the interest rates associated with their new selection will take effect immediately.

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

Account holder interest option preference has no impact on account fees. There are no additional fees associated with either of the interest options.

13. Which interest option will become the default, and will that differ for existing employees with HSAs vs. newly enrolled employees?

Existing employees with HSAs will remain in the same Traditional interest option they are currently enrolled in unless they change their preference on the mobile app or member portal to the High-Yield interest option.

For employees that enroll in an HSA after May 15, 2023, they will remain in the same Traditional interest option, unless the employer has requested the default interest option to be High-Yield. Employees can change their interest preference at any time on the mobile app or member portal.

14. How do you plan on communicating this new feature to my employees?

Employees will be shown a new Opportunity within the member portal and mobile app Notification Center alerting them to the new High-Yield interest option.

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.

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