

## Corporate Policies & Procedures

<b>Policy:</b>	Health Savings Account (HSA)		
<b>Department:</b>	Human Resources	<b>Sub-Department:</b>	Benefits
<b>Original Date:</b>	01.15.2015	<b>Version:</b>	03.15.2019

### SCOPE:

The Health Savings Account (HSA) Policy applies to applies to eligible employees of MHM Services, Inc. d/b/a Centurion Group, Inc. ("Centurion") and its subsidiaries (collectively, the "Company").

### ELIGIBILITY:

All full-time (30+ hours per week) employees who are active participants in the High Deductible Health Plan (HDHP).

### EXCLUSIONS:

Part-time and PRN employees are not eligible for this benefit. Employees in the NV Staffing program are also ineligible to participate.

### PURPOSE:

To provide an understanding of the calculation of employer contributions into the HSA.

### POLICY:

An HSA is a personal tax-advantaged savings account that allows eligible employees enrolled in an HDHP to pay for qualifying out-of-pocket medical, dental and vision expenses with pre-tax money.

HSA contributions are pre-tax, grow tax-free, and are not taxed if used for qualified healthcare expenses. Both the employee and the company can make tax-free deposits into an HSA. The maximum amount eligible employees can contribute to an HSA is determined by the IRS. The maximum includes any employer contributions made on behalf of the employee.

### MATCHING CONTRIBUTIONS:

Centurion will match the employee contributions up to the maximum per pay period employer contribution limit. The maximum matching contributions are:

- Employee only coverage: \$28.84 per pay (\$750 per year maximum)
- Employee + 1 or more: \$57.69 per pay (\$1,500 per year maximum)

Employees who front load the HSA and then stop contributing will continue to receive contributions throughout the year on a prorated basis so long as they remain in an eligible status.

### WHEN CONTRIBUTIONS BEGIN:

Once an election to contribute to an HSA is made by an eligible employee, contributions begin via payroll deduction on the next applicable pay.

### STATUS CHANGES:

Employees who change employment status to a non-eligible classification will have the employee and employer match immediately suspended following the date of the change. Employees who change coverage tiers from employee only to employee + 1 or more will have their employer matching contributions adjusted accordingly.

**LEAVE OF ABSENCE:**

Employees on a Leave of Absence (LOA) who have salary continuation of any kind will continue to receive the employer contribution so long as there is an employee contribution being made. Employees who receive payment from Workers' Compensation will not receive the employer contribution.

**SCENARIOS:**

1. Laura enrolled in the HDHP for single coverage January 1. Laura elected to contribute \$750 for the calendar year. Centurion's matching contribution into Laura's account will be \$28.84 per pay period for a total of \$750.
2. Sylvia decides on January 1 to frontload her HSA with \$750 on her first paycheck. Centurion will contribute \$28.84 into her HSA for the remaining pay periods for a total of \$750. Mid-year, Sylvia goes out on FMLA leave. She does not have enough PDO to cover the first two weeks before her Short-Term Disability begins. Because she has no paycheck and is not making employee contributions, she does not receive the employer match. Once she begins receiving a paycheck again, her matching contributions recommence.
3. Steve was hired in May and enrolled in the HDHP employee only. Steve elected to contribute \$1,000 with his contribution divided over the remaining pay periods in the calendar year. Steve's matching contribution will be prorated based off the remaining pay periods, as the maximum per pay is \$28.84.
4. John enrolled in the HDHP for family and opened the HSA January 1. His biweekly contribution of \$38.46 per pay will be matched at \$38.46 per pay. In July, John decides to increase his contribution goal to \$1,500. The employer match will then increase to \$57.69 for the remaining pay periods in the calendar year.

**TERMINATION:**

Contributions to the HSA will end upon the employee's termination of employment, change of status to a non-eligible status or upon their move to a non-eligible benefit plan.

**ANNUAL RE-ELECT REQUIRED:**

Eligible employees are required to complete Open Enrollment each year in order to re-elect their HSA contributions for the next plan year. Current year elections do not roll over.

Please contact the Benefits Department with any questions at (800) 416-3649 or email [Benefits@TeamCenturion.com](mailto:Benefits@TeamCenturion.com).

*This policy and guidelines may be amended at any time and are subject to change at the discretion of the Company.*