

HSA Investment Transfer FAQ

What employees need to know before the HSA moves to the new custodian

KEY TAKEAWAY You are moving money from HSA investments back into your HSA cash account, not withdrawing it from your HSA.

Preparing Your Account

Why do I need to liquidate my HSA investments?

Invested funds must be moved back into your HSA cash account before the account can transfer to the new custodian. Any remaining investment balance may delay or prevent the transfer.

Why should I turn off Auto-Transfer?

Turning off Auto-Transfer prevents cash from automatically moving back into investments after you liquidate.

Am I withdrawing money or closing my HSA?

No. Your money stays in the HSA. You are only moving it from the investment portion to the cash portion. Do not request a personal reimbursement or outside withdrawal as part of this process.

Should I liquidate all of my investments?

Yes. Select "Liquidate All Funds" so the full investment balance returns to your HSA cash account.

Will I receive the exact investment value shown today?

Not necessarily. Investment values may change between the time you submit the request and when it is completed. Investments can gain or lose value.

What if another contribution is deposited after I liquidate?

If Auto-Transfer remains off, new contributions will stay in the HSA cash account instead of automatically moving into investments.

How do I know my account is ready to transfer?

Confirm that the liquidation is complete, your investment balance is \$0, and the proceeds are shown in your HSA cash account.

Tax Questions

Is liquidating my HSA investments taxable?

Generally, no. Moving money from HSA investments to HSA cash is not an HSA distribution because the funds remain inside the HSA.

Are HSA investment earnings taxable?

HSA investment earnings are generally federal income tax-free. State and local tax treatment may vary.

When are HSA withdrawals tax-free?

Withdrawals used for qualified medical expenses are generally income tax-free.

What if I use HSA funds for a nonqualified expense?

The amount may be subject to income tax. If you are under age 65, an additional 20% IRS penalty may also apply, subject to applicable exceptions.

What changes after age 65?

A nonqualified distribution is generally not subject to the additional 20% penalty after age 65, but income tax may still apply.

Can Optum provide personal tax or investment advice?

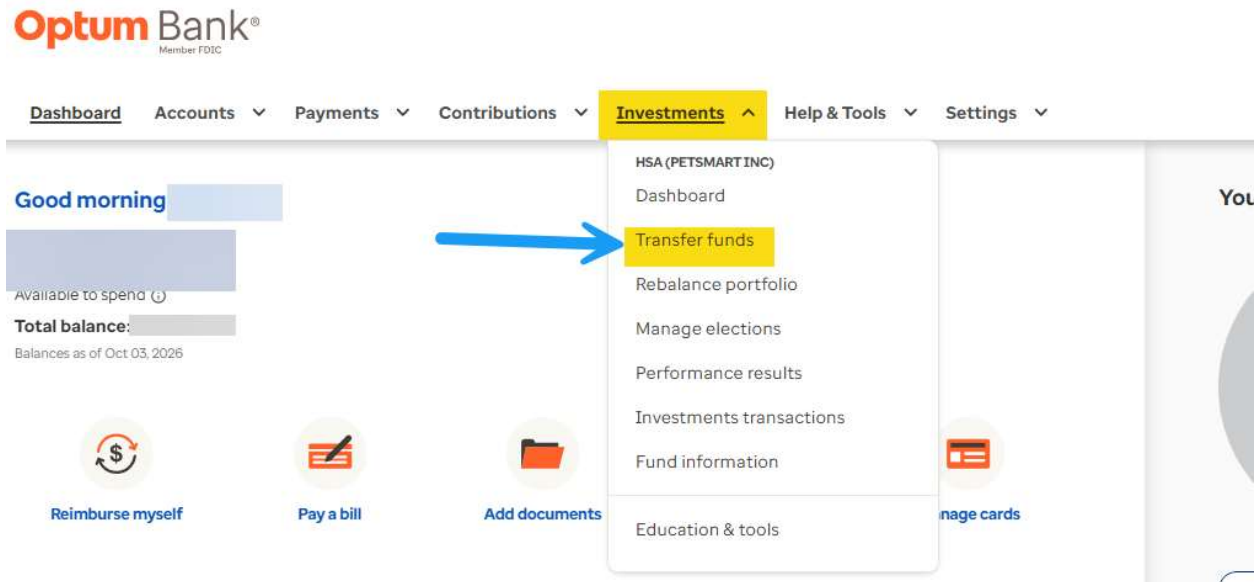
No. Optum does not provide individualized tax, legal, or investment advice. Please consult a qualified tax or financial professional for guidance specific to your situation.

Investment reminder: HSA investments are not deposits, are not FDIC insured, and are subject to market fluctuations and possible loss of principal.

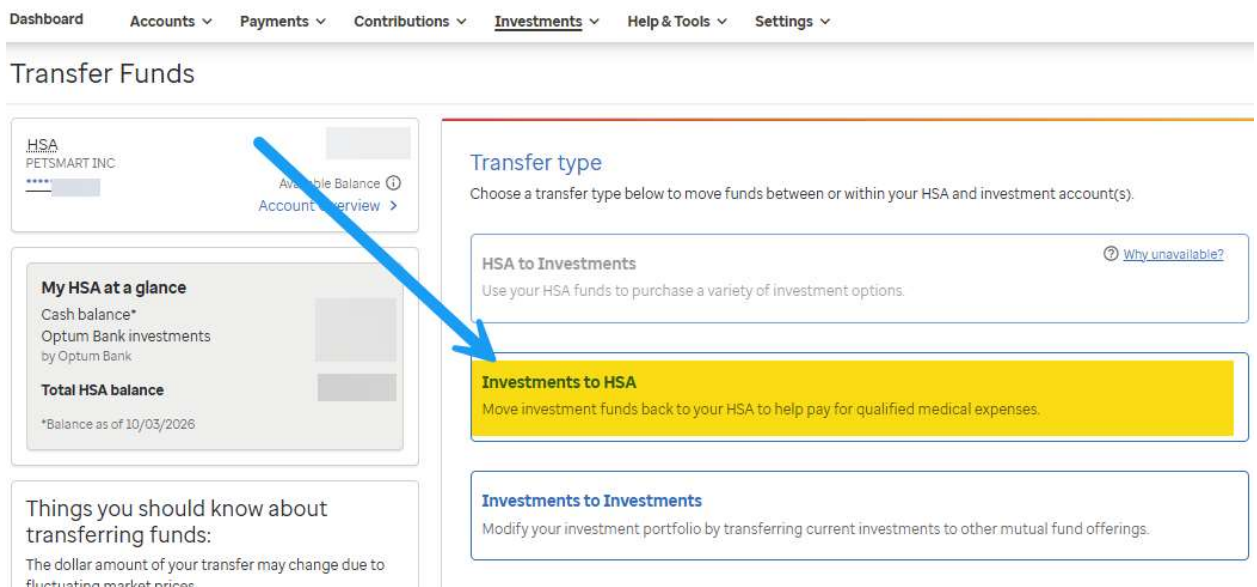
Next step: Use the accompanying step-by-step screenshots to turn off Auto-Transfer and liquidate all investment funds.

Investment instructions:

1. Log into your account > Once logged in
2. Select the investments tab
3. From the drop down menu select “Transfer funds”



4. Select transfer type “Investments to HSA”



5. Select Investments – From
6. It will auto populate the To – To HSA
7. Select OFF for HSA auto transfer
8. Select sell by \$

9. Select Liquidate all funds

Dashboard Accounts Payments Contributions **Investments** Help & Tools Settings

HSA
PETSMA RT INC.

Available Balance ⓘ
[Account Overview](#) >

My HSA at a glance
Cash balance*
Optum Bank investments
by Optum Bank
Total HSA balance
*Balance as of 10/03/2026

Things you should know about transferring funds:
The dollar amount of your transfer may change due to fluctuating market prices.
Any amount above the minimum required balance can be invested in mutual funds.
If you are transferring money from investments to your health savings account (HSA) you may want to inactivate or change the recurring transfer threshold so that the funds you are transferring to the HSA don't transfer back to investments.
Learn more by watching these short videos:

Transfer Details
Sell your invested funds back to your HSA to help pay for qualified medical expenses.

Investments - From
● Optum Bank investments

Accounts - To
Health Savings Account (HSA)

Amount
HSA auto-transfer: OFF ⓘ
Setup

Mutual funds to sell
Please note that the dollar amount of requested transfers may change due to fluctuating market prices.

Sell by \$ %
Liquidate all funds

10. Click review

Dashboard Accounts Payments Contributions **Investments** Help & Tools Settings

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Learn more by watching these short videos:

- Investing: Transferring HSA mutual funds
- Investing: Selling HSA mutual funds

Investment Education
You have the potential to grow your health savings account (HSA) by choosing to invest a portion of your funds. Take a few minutes to learn more about how to invest with quick videos, webinars and online tools. Also check out full prospectus information for each mutual fund on the Fund Information page.

- Investment education
- Fund Information

**HSA auto-transfer: OFF ⓘ
Setup**

Mutual funds to sell
Please note that the dollar amount of requested transfers may change due to fluctuating market prices.

Sell by \$ %
Liquidate all funds

100% of the investments listed below will be transferred back to your HSA.

Fund name	Balance

Total balance:

Review

Dashboard Accounts ▾ Payments ▾ Contributions ▾ Investments ▾ Help & Tools ▾ Settings ▾

Transfer Funds

HSA
PETSMART INC

Available Balance ⓘ
[Account Overview >](#)

My HSA at a glance

Cash balance*

Optum Bank investments
by Optum Bank

Total HSA balance

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- Investing: Transferring HSA mutual funds
- Investing: Selling HSA mutual funds

1
Choose options

2
Review and submit

3
Confirmation

Transfer Summary

Please review your transfer selection to ensure you have chosen your desired transfer type, dollar amount and allocation. You can make changes before you submit your transfer request by selecting the "Edit" button. If you are transferring money from Investments to your HSA and your recurring transfer is active, you may want to inactivate or change the recurring transfer threshold so that the proceeds you are transferring to the HSA don't transfer back to Investments. Please note that the dollar amount of requested transfers may change due to fluctuating market prices

Transfer Type: Liquidate all funds

Total Amount: \$1,000.00

From:

	Amount
Investments	\$1,000.00
Cash	\$0.00
Total	\$1,000.00

To:

	Amount
HSA cash account	\$1,000.00

Submit