

Customer Identification Program Process

Health Savings Accounts

The Customer Identification Program (CIP) is a process used by financial institutions to verify a person’s identity prior to opening a bank account. A Health Savings Account (HSA) is a bank account.

Federal regulations enacted pursuant to Section 326 of the USA PATRIOT Act require all financial institutions to verify the identity of every person who seeks to open an account or become a signatory on an account with the institution after October 1, 2003. The procedures in place by Optum Financial custodian bank are reasonable for verifying the identity of any person seeking to open an account, to the extent reasonable and practicable.

The HSA administrator works directly with the employee through this process. For privacy reasons, the UW System must not get involved. Below is an outline of the process.

Responsible Party	Action	Notes
1. Employee	Enrolls in a High Deductible Health Plan (HDHP) and Health Savings Account (HSA) through the UW System.	CIP is triggered when an employee enrolls in an HDHP and HSA for the first time through the UW System (or any State agency).
2. UW-Shared Services, Service Operations	Submits employee enrollment information to the State of Wisconsin’s HSA administrator.	Electronic files are automatically sent to the State of Wisconsin’s HSA administrator on a regular basis.
3. HSA Administrator	<p>When an employee passes the CIP process, the HSA administrator sends a welcome packet and payment card via U.S. Mail. End of process.</p> <p>When an employee does not pass the CIP process based on the enrollment information from the UW System, the HSA administrator notifies the employee of the documentation necessary to open the HSA. Notifications are sent on day 1, 15, 45, 65. Continue to step 4.</p>	<p>In most situations, the HSA administrator can verify an employee’s identity (full name, physical address, date of birth, social security number) upon receipt of the enrollment information from the UW System. This allows them to open the HSA without requesting additional information from the employee.</p> <p>Some reasons an employee will not pass CIP:</p> <ul style="list-style-type: none"> • if a P.O. Box is provided instead of a physical residential address • an incorrect Social Security Number is provided • an incorrect full legal name is provided <p>Examples of the notifications can be found in the HSA Customer Identification Program (CIP) Guide (provided in the Resources section below).</p>
4. Employee	Must submit documentation directly to the HSA administrator within 90 days.	Notifications sent from the HSA administrator to the employee explain what the CIP process is, include a list of the documentation that can be submitted (for example: Driver’s License, Social Security Card, W-2 with full SSN, or 1099 with full SSN), and include a custom link for the employee to securely upload documentation electronically.
5. UW-Shared Services, Service Operations	Monitors the CIP report available through the Employer Dashboard.	The intent is to watch for employees that have not yet passed the CIP process and are approaching day 45.

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Responsible Party	Action	Notes
6. UW-Shared Services, Service Operations	Send an email to the Benefits Administrator of the employees approaching day 45 to remind them to submit sufficient documentation directly to the HSA administrator within 90 days.	<p>The intent of the email is to request the Benefits Administrator remind the employee to act before their 90 days expires. For privacy reasons, the UW System does not know why the employee has not passed CIP. The UW System cannot assist the employee with providing the documentation to the HSA administrator.</p> <p>The notification the Benefits Administrator sends to the employee can be found at the end of this guide (see email template #1).</p>
7. Institution and/or UW-Shared Services, Service Operations	Respond to employee inquiries by telling them they need to contact the HSA administrator for assistance with the CIP process.	For privacy reasons, UW System institutions must not get involved in the process. Employees must submit documentation directly to the HSA administrator through the link provided to them by HSA administrator.
8. UW-Shared Services, Service Operations	<p>For employees that pass CIP, apply employee and employer contributions to the employees HSA as soon as administratively possible. End of process.</p> <p>For employees that fail the CIP process:</p> <ul style="list-style-type: none"> • Change the HDHP to the non-HDHP in HRS. • Reverse employee and employer HSA contributions via payroll as soon as administratively possible. • Request the Benefits Administrator send an email to the employee to make them aware of the change to their health insurance plan design. End of process. 	For employees that fail the CIP process, the notification the Benefits Administrator sends to the employee can be found at the end of this guide (see email template #2).
9. Institution and/or UW-Shared Services, Service Operations	Forward emails to uwshr@uwsa.edu from employees that fail CIP that express concern over the decision and/or process.	
10. UW System Human Resources	Request the HSA administrator thoroughly review whether the CIP process was followed. Proceed to Step 11 or 12.	
11. HSA Administrator	If it is determined the CIP process was not followed , there may be an opportunity for the employee to attempt to pass CIP again prior to the next Annual Benefits	

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	Enrollment period. If appropriate, the HSA administrator notifies the employee.	
12. UW System Human Resources	If it is determined the CIP process was followed then there is not an opportunity for the employee to pass CIP again prior to the next Annual Benefits Enrollment period. UW System Human Resources will communicate this to the employee.	

Email Template #1: Sent by institution benefits administrator to employee.

The below email is sent to employees **approaching day 45** of the CIP process (per step 6 above).

Subject Line: Action Required to Open Your Health Savings Account

Since you enrolled in a High Deductible Health Plan (HDHP) and Health Savings Account (HSA), you must go through the Customer Identification Program (CIP) process. This is a process established by the U.S. Patriot Act signed into law in 2001 that requires the bank to verify your identity before they open a bank account for you. An HSA is a bank account.

You should have received several notifications from Optum (the HSA Administrator) making you aware that additional information/documentation is required from you before your HSA can be opened. *Contributions to your HSA cannot be made until your account is opened.*

Action Required: Submit the documentation outlined in the notifications sent to you from the HSA Administrator **within the next three weeks**. The notifications sent to you from the HSA administrator provide a secure way for you to upload documentation electronically.

If you do not provide appropriate documentation within the next three weeks:

- Your HDHP will be changed to a non-HDHP.
- Your HSA contributions will be reversed (employee and employer, if any).
- The health insurance premiums from your paycheck will be retroactively adjusted.

If you have questions about the CIP process, contact the HSA Administrator at (833) 881-8158.

Sincerely,

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Email Template #2: Sent by institution benefits administrator to employee.

The below email is sent to employees when their 90-day timeframe to submit documentation has passed and either documentation was not submitted, or the documentation did not meet the requirements. Therefore, the financial institution is **unable to open their HSA** (per step 8 above).

Subject Line: Your Health Savings Account Could Not Be Opened

Since you enrolled in a High Deductible Health Plan (HDHP) and Health Savings Account (HSA), you must go through the Customer Identification Program (CIP) process. This is a process established by the U.S. Patriot Act signed into law in 2001 that requires the bank to verify your identity before they open a bank account for you. An HSA is a bank account.

You received notifications from Optum (the HSA Administrator) and the UW System making you aware that additional information/documentation was required from you to open your HSA. Since no action was taken or the documentation submitted did not meet the requirements, the HSA Administrator is **unable to open your HSA**. Therefore, the below will occur.

- Your HDHP enrollment will change to a non-HDHP (Health Plan)
- Your HSA contributions will be reversed (employee and employer, if any)
- Your health insurance premiums from your paycheck will be retroactively adjusted

Per the State of Wisconsin State Group Health Insurance Program guidelines, your next opportunity to enroll in the HDHP and HSA will be during the next Annual Benefits Enrollment period (which occurs each fall). If you choose to enroll in the HDHP and HSA at that time, you will be required to go through the CIP process again so be prepared to submit documentation timely.

Sincerely,