# HIGH DEDUCTIBLE HEALTH PLAN AND HEALTH SAVINGS ACCOUNT FREQUENTLY ASKED QUESTIONS

The following are frequently asked questions and answers regarding the High Deductible Health Plan with Health Savings Account (HDHP/HSA).

## HDHP MEDICAL COVERAGE

Q. ***What is the HDHP/HSA?***

A. The HDHP/HSA is a medical plan option that combines a tax-qualifiedHigh Deductible Health Plan (HDHP) with a tax-advantaged[1] Health Savings Account (HSA).
The HDHP provides comprehensive medical and prescription drug coverage and in- and out-of-network benefits. Participants in the HDHP pay lower premiums up front in exchange for a higher deductible. Because the HDHP is a tax-qualified medical plan, it can be paired with a Health Saving Account (HSA). Your HSA allows you to pay out-of-pocket healthcare expenses with tax-free dollars or save for future health expenses.

Q. ***Are preventive services covered by the plan?***

A. Yes, the plan covers preventive services at 100% with no deductible.

Q. ***How does the plan pay for services that are not on Anthem*'S *preventive care list?***

A. The plan has an in-network deductible of $1,500 for individual coverage and $3,200 for family coverage. These are amounts you are responsible for paying before the plan pays any benefits. After you meet the applicable deductible, the plan pays 90% for in-network covered services. You pay the remaining 10%, until you reach the annual out-of-pocket maximum. The plan also has coverage for out-of-network benefits, subject to out-of-network deductibles, coinsurance, and reasonable and customary limits.

Q. ***Does each enrolled family member need to meet his or her own deductible?***

A. No. For families of two or more, there is a common family deductible. The family's deductible can be satisfied through the expenses of a single family member or multiple family members. The same is true for the family's annual out-of-pocket maximum.

[1] *The tax advantages described in this document pertain to federal tax rules. Some states, including California, New Jersey, and Alabama, have different tax treatment.*

Q. ***What happens if I have extremely high medical expenses? What is my maximum exposure?***

A. The HDHP plan design protects you from large, uncapped medical expenses through the annual out-of-pocket maximum. Let's say you've met the plan deductible, and you've been paying your share of coinsurance on covered services. Once your family's annual out-of-pocket maximum has been reached, the plan will pay 100% of covered expenses for all family members, including prescriptions, for the remainder of the plan year.

Q. ***Are my prescriptions subject to the deductible, too?***

A. Yes. One of the requirements of a tax-qualified medical plan is that prescriptions are subject to a common deductible along with medical expenses. Therefore, you will pay the full cost of prescriptions until you meet your plan deductible. However, there is an important exception for certain preventive prescriptions that are listed on Anthem's preventive drug formulary. These drugs are covered at 100% (generic) and 90% (brand), with no deductible required.

Q. ***How do I find an in-network provider?***

A. A provider directory is available at anthem.com/ca. The provider network for the Anthem HDHP with HSA is called "Prudent Buyer PPO/EPO." Alternatively, you can call Anthem customer service at (855) 817-5785.

## HEALTH SAVINGS ACCOUNT (HSA) BASICS

Q. ***What is an HSA?***

A. An HSA is a tax-advantaged Health Savings Account. It is an individual bank account owned by you. Just as you may use an IRA to save for retirement, you can use an HSA to save for future health expenses. Contributions to your HSA are pre-tax or tax deductible, and your account balance accrues interest on tax-deferred basis. But unlike a retirement plan account, you can withdraw your HSA money whenever you need it to meet health plan deductibles or pay for other eligible health expenses, free from tax. And, unlike a Health Care Flexible Spending Account (FSA), you never forfeit your contributions. Unused money will carry over from one year to the next, enabling you to build a reserve for future expenses. What's more, you get to keep all of the money in your HSA, even if you leave Alteryx.

Q. ***Am I eligible for an HSA?***

A. You are eligible to make and receive contributions to an HSA if you meet all of the following criteria:

- You are enrolled in the HDHP medical plan.

- You are NOT covered under any form of non-HDHP medical coverage, including:
    - Your spouse's employer's plan
    - Government medical insurance (e.g., Tricare, Federal employees' plan)
    - Coverage purchased through an exchange or individual marketplace
    - Medicare Parts A, B, C or D
    - Your spouse's general purpose Health Care Flexible Spending Account (FSA).

Q: ***How do I open my HSA?***

A. If you enroll in the HDHP medical plan, you will automatically receive a Health Savings Account welcome kit from HSA Bank.

Q: ***What should I do if I'm not eligible?***

A: If you determine that you are not eligible to make or receive contributions to an HSA for any of the reasons listed above, please notify the Alteryx benefits department and contact HSA bank to close your account.

Q. ***How can I track my HSA balance?***

A. You will have access to your HSA account balance – through the HSA Bank website at www.hsabank.com. You can also getaccount balance information by calling HSA Bank at (800) 357-6246.

Q. ***What happens if I have money left in my HSA at year-end?***

A. HSA funds roll over from year to year. Money that you don't spend this year remains in your HSA, earns interest, and is available for future years. In fact, many people use their HSA as a long-term savings vehicle for healthcare expenses in retirement.

## MORE ABOUT ELIGIBILITY --- SPECIAL SITUATIONS

Q. ***My spouse has a Healthcare FSA with his/her employer. Can I open an HSA?***

A. No. If your spouse participates in a general-purpose Healthcare FSA, you are not eligibleto make or receive contributions to an HSA, even if you enroll in the HDHP. This is because your spouse's FSA is a form of medical coverage that can reimburse your eligible medical expenses, too. If you enroll in the HDHP medical plan, and wish to maintain your eligibility for an HSA, then both you and your spouse should avoid enrolling in general purpose Healthcare FSA.

Q. ***My spouse's employer has a Limited Purpose FSA. Can I open an HSA?***

A. Yes. If your spouse participates in a Limited Purpose FSA, which is a special type of FSA that covers only dental and vision expenses, you will be eligible to make and receive contributions to an HSA.

Q. ***Can I have an HSA and a Dependent Care FSA?***

A. Yes. If you have eligible expenses that qualify for reimbursement under a Dependent Care FSA (e.g., you have daycare expenses for children under age 13, and both you and your spouse work full-time), you may enroll in the Dependent Care FSA, without impacting your eligibility for an HSA.

Q. ***Can my spouse have his or her own HSA?***

A. Yes, as long as he or she is covered under a high deductible health plan and has no other non-HDHP medical coverage, your spouse may make contributions to an HSA at a bank of his/her choice. If both you and your spouse have HSAs, the maximum combined tax- free contribution cannot exceed the IRS limit for family coverage. If both you and your spouse are 55 or older in the plan year, you may each make a $1,000 catch-up contribution to your respective HSA accounts.

Q. ***I have an adult child who files his own income taxes and is covered as my dependent onthe HDHP. Can he open his own HSA?***

A. Yes, as long as he is covered under a high deductible health plan, and has no other non-HDHP medical coverage, and neither you nor any other taxpayer is entitled to claim him as a dependent (even if they do not actually claim him). Please consult with a tax advisor to confirm your son's eligibility and the contribution limits applicable to his situation.

Q. ***Can my domestic partner participate in the HDHP/HSA?***

A. Yes. You may enroll your domestic partner in the HDHP, and you may receive the family-level HSA contribution from the company. However, federal law prohibits you from using your HSA funds for your domestic partner's healthcare expenses, unless they are your federal tax dependent.

Your domestic partner may establish his/her own HSA, funded with non-company contributions, provided he/she is 1) not claimed as a tax dependent on anyone's tax return; 2) is enrolled in a HDHP; and 3) does not have any other non-HDHP medical or pharmacy coverage, including a general-purpose Healthcare FSA.

Q: ***I'm over 65 and not enrolled in Medicare Part B because I'm still working, but I enrolled in Part A when I turned 65. Does that make me ineligible to make or receive contributions to an HSA?***

A: Yes. If you are enrolled in Medicare Part A, it counts as other medical coverage, and makes you ineligible to make or receive contributions to an HSA. If you are 65 or older, make sure you know whether or not you are enrolled in Medicare Part A so that you can understand if you are eligible for an HSA. If you are turning 65 soon, take steps to understand the implications of enrolling or delaying your enrollment in Medicare Part A.

## BUILDING YOUR HSA BALANCE

Q. ***How does my HSA balance grow?***

A. Your HSA balance includes:

- Any contribution from Alteryx
- Any pre-tax or tax-deductible contributions you decide to make
- Tax-free interest or investment returns earned on your account

Please keep in mind that investments may have an earnings gain or an earnings loss.

Q. ***Do I have to have an HSA account in order to get Alteryx's contribution?***

A. Yes. The good news is that the process is very streamlined. When you enroll in the High Deductible Health Plan, you will automatically receive a HealthSavings Account welcome kit from HSA Bank. To comply with security requirements, the bank may contact you by phone or in writing to request documentation to verify your identity. However, as long as you respond timely to any such request, your HSA bank account will be opened and ready to receive the company's contributions.

Q. ***How do I make contributions to my HSA?***

A. You can contribute in the following ways:

- Elect to make pre-tax HSA payroll deduction contributions. Log in to Workday and set up an annual amount to be spread over theremaining pay periods in the year.
- Transfer funds from another bank account into your HSA using the online banking portal at www.hsabank.com. Contributions that you make this way are tax-deductible when you file your tax return.

Q. ***How often can I change the amount of my HSA pre-tax payroll deduction?***

A. You may change your HSA election at any time in your Workday portal. To do this, you will click on the benefits application, then change benefits, then HSA Contribution Change. Your change will be effective the first of the month following the change date.

Q: ***Can I make a large contribution to my HSA when I first establish my account, in order to build up my account balance faster?***

A. Yes, although before doing so, you should consider the proration rules that apply to HSA contributions. To make the maximum contribution in a calendar year, you must meet all of the HSA eligibility requirements on January 1 and remain qualified through December 1. If these criteria are not met, your maximum contribution is prorated to one-twelfth of the maximum contribution for each full calendar month that you are qualified.

However, an exception is available under the "last month rule," which states that you may make a full year contribution if you are HSA-qualified on or before December 1 and will remain qualified through a testing period that ends on December 1 of the following year. Just keep in mind that if you rely on the last month rule, but subsequently fail to remain HSA eligible through the end of the testing period, you can end up paying extra in taxes.

If you need to make a large one-time contribution to your HSA, you can contact HSa bank directly and this cannot be administered through payroll.

The contribution rules, tax implications, and penalties for excess contributions are discussed in IRS Publication 969. Please consult your personal tax advisor to discuss your individual situation.

## SPENDING YOUR HSA DOLLARS

Q. ***How do I access the money in my HSA?***

A. HSA bank will send you an HSA debit card which you may use to make payments to your providers. Alternatively, you can initiate transactions on the online banking portal www.hsabank.com. You can transfer funds electronically to another bank account or to request a payment by check.

Q. ***What if funds are not available when I have an eligible medical expense?***

A. At any given time, the amount available in your HSA is the cash balance in your account. If you do not have enough money in your HSA to pay for an eligible medical expense, you'll need to pay for the expense by some other means. Once there is enough money in your HSA, you can reimburse yourself from your HSA.

Generally, you are able to add money to your HSA after the fact to cover an expense that has already been incurred. However, expenses incurred before your HSA account was established (meaning before the account was opened and initially funded) are not eligible for reimbursement from your HSA. The good news is that even a small initial deposit is enough to establish your new HSA.

Q. ***Who can I spend my HSA on?***

A. You can use your HSA to pay for eligible healthcare expenses for:

- Yourself
- Your spouse
- Anyone you claim as a dependent on your personal income tax returns

Eligible healthcare expenses of the dependents listed above can be paid from your HSA, even if those individuals are covered under Medicare or other non-HDHP medical insurance, and even if they are not covered on Alteryx's HDHP.

You are not permitted to use your HSA dollars to pay for the healthcare expenses of domestic partners or children who are not considered dependents for federal income tax purposes, even if they are enrolled as your dependents on the HDHP. To avoid this, you should not use the claim auto-pay feature on your HSA account.

Q. ***What expenses are eligible healthcare expenses?***

A. The Internal Revenue Code specifies that an expense must be primarily to alleviate or prevent a physical or mental defect or illness. Examples include prescriptions, doctors' office visits, vision care, and dental care. For a list of eligible expenses, go to www.irs.gov/publications/p502/index.html.

Q. ***Can I spend my HSA funds on non–healthcare expenses?***

A. It's not recommended. If you use your HSA for expenses other than eligible healthcare expenses, you'll automatically subject yourself to taxes and penalties. You must report all HSA distributions (withdrawals) on your tax return in the year in which they are taken. Nonqualified distributions are subject to ordinary income tax plus a 20% tax penalty.

The 20% tax penalty does not apply if the distribution is made after you reach age 65, become completely and permanently disabled, or die. However, ordinary income tax still applies, unless the withdrawal is for eligible healthcare expenses.

Q. ***Can I use my HSA to pay insurance premiums?***

A. Most insurance premiums are not eligible expenses for your HSA. However, thepremiums for the following are eligible:

- Long-term care coverage
- Healthcare coverage while you receive unemployment benefits
- Healthcare continuation coverage required under any federal law (e.g., COBRA)
- Medicare or retiree insurance premiums (other than premiums for a Medicaresupplemental policy), if you are age 65 or older

Q. ***Who is responsible for ensuring that I am only using my HSA for eligible medical expenses?***

A. You are. How you use your HSA is solely between you and the IRS. The bank reports your HSA contributions on Form 5498-SA and distributions on Form 1099-SA. You are responsible for entering this information on Form 8889 on your tax return, and for telling the IRS whether or not your distributions were for eligible healthcare expenses.You must save copies of relevant receipts, itemized invoices, and insurance carrier Explanation of Benefits (EOB) statements. Be prepared to produce this documentationin the event that you are ever audited.

## MAINTAINING YOUR HSA

Q. ***What happens to my HSA if I don't enroll in a high deductible health plan next year?***

A. Once you are no longer covered by a high deductible health plan, such as the HDHP, you cannot continue to make or receive any new contributions toyour HSA. However, the existing account balance is still yours, and you can use the money to pay for current eligible healthcare expenses or save it for the future.

Q. ***Do I have investment options for my HSA balance?***

A. Yes. Once your HSA balance reaches $1,000, you have the option to open an investment account.

Q: ***Can I move my HSA to a different financial institution, if I prefer not to maintain a bank account with HSA Bank?***

A: An HSA is an individually owned bank account, and you may open one with any financial institution you choose. However, for operational reasons, Alteryx employer contributions and employee payroll deduction contributions can be made only to accounts established through HSA Bank.

Q: ***What happens at tax time?***

A: Each year, the bank will produce tax reports to tell you and the IRS about contributions and distributions (withdrawals) from your HSA. These reports (5498-SA and 1099-SA) are available electronically on the banking portal at www.hsabank.com. You'll need to obtain them from the portal each year in order to file your tax return. If you'd prefer toreceive paper account statements and tax forms, you can make that election on the banking portal. The bank charges a fee for paper statements.

Q. ***What happens if I accidentally contribute too much to my HSA?***

A. You should contact the bank before the end of the tax year to have the excess contributions removed from your HSA. Excess contributions and associated interest/earnings will be returned to you and reported as taxable amounts on Form 1099-SA. If the excess contribution is not removed from your account in the current taxyear, some tax penalties will apply. Please refer to IRS Publication 969 and contact yourtax advisor.

Q: ***What happens to my HSA if I leave Alteryx?***

A. All contributions to your HSA, even those made by Alteryx, are yours to keep. In the event that you leave Alteryx, you can:

- Leave your HSA where it is, at HSA Bank. In this case, the bankwill convert your account to an individual account that is not linked to Alteryx's medical plan. The bank will deduct a small monthly maintenance fee from your account.
- Transfer your balance to an HSA with your new employer
- Roll over your funds to another qualified HSA

If you withdraw your funds from your bank account for non-medical reasons, and don'troll them over to another qualifying HSA within 60 days, the distribution is taxable and likely subject to the additional 20% penalty.

Q. ***Can my HSA money be rolled over into an IRA?***

A. No. The only permitted rollover is into another qualified HSA.