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ASCENSUS INSIGHTS

Unlock Potential with Expert IRA and HSA Administration

For banks, credit unions, and other financial organizations, offering tax-advantaged savings solutions such as individual retirement accounts (Traditional, Roth, SEP, and SIMPLE IRAs) as well as health savings accounts (HSAs), and Coverdell education savings accounts (ESAs) can be a key component of a forward-thinking business strategy.

At the same time, administering these programs in-house has become increasingly burdensome, especially when IRAs, HSAs, and ESAs are ancillary to your core business.

This Ascensus Insights piece considers the hurdles facing financial organizations, especially as they look to win a greater share of their customers' attention, trust, and wallet. We also consider how outsourcing IRA, HSA, and ESA administration to the right strategic growth partner can help drive operational efficiencies, mitigate compliance risk, and deliver tangible business outcomes freeing your staff and other internal resources to focus on your organization's core business objectives.

The ability to provide the right financial solutions at the right time is key to customer acquisition and retention, especially in today's crowded and competitive marketplace.

Creating New Pathways for Growth

Attracting new customers, retention of existing customers and growing business has become increasingly difficult for banks, credit unions, and other financial organizations in a competitive environment that is crowded with choice.

For many organizations, the ability to grow market share, increase cross-selling opportunities, and deepen customer relationships is essential to winning and retaining business.

Delivering differentiated products such as IRAs, HSAs, and ESAs can help your financial organization connect the dots by addressing the growing demand for retirement, health care, and education savings solutions both from business and individual customers. As the chart below illustrates, the opportunity set for these solutions is timely and compelling.

Opportunity Is Right Here

IRAs[1]	HSAs[2]	ESAs[3]
There's headroom to grow. ▪ 44% of U.S. households have an IRA, up from 34% a decade ago—and that number is likely to grow as SECURE 2.0 expands access to IRAs. ▪ Nearly 60% of IRAs contain rollover assets. **Rollovers can increase the overall lifetime value of IRAs.** ▪ More than 40% of IRA owners make additional contributions to their account.	**The market is large and growing.** ▪ There are 39 million HSAs today, representing $147 billion in assets. ▪ HSAs are expected to reach $199 billion in assets and exceed 45 million accounts by end of 2027. **The landscape is evolving.** ▪ Pending tax legislation could boost contribution limits and expand HSA access.	**The cost of education has more than doubled over the last 25 years.** ▪ Average per year cost of attendance (tuition, room and board, books, and daily living expenses) for an in-state student at a 4-year public institution was $27,146 in 2025. ▪ The average cost of attendance per year at a 4-year private university was $58,628 in 2025. ▪ An ESA program can help meet a portion of your customers' education savings needs.

[1] IRA Ownership Reaches Record Highs, ICI Viewpoints. https://www.ici.org/25-view-ira-ownership-reaches-record-highs

[2] 2024 Year-End Devenir HSA Market Statistics & Trends Research Report, released April 2, 2025. https://www.devenir.com/research/2024-year-end-devenir-hsa-research-report/

[3] Average Cost of College & Tuition, March 8, 2025. Education Data Initiative. https://educationdata.org/average-cost-of-college

Younger generations are "power users" of HSAs, with Millennials and Gen Zers, representing 60% of all investment accounts.[4]

Percentage of Private Industry Workers with Access to an HSA[5]

By Size				By Wage Category			
All Workers	<100 Workers	100-499 Workers	500+ Workers	Lowest 25%	Second 25%	Third 25%	Highest 25%
39%	27%	50%	58%	20%	36%	44%	62%

How Outsourcing Can Sharpen Your Competitive Edge

It's clear that IRAs, HSAs, and ESAs offer attractive new sources of revenue and deposits that can help financial organizations remain competitive and increase the overall lifetime value of each customer. However, financial organizations face growing pressure to stay ahead of ever-changing regulatory, compliance, tax and reporting, and data security requirements, rapidly advancing digital technologies, and growing customer expectations for personalized and integrated solutions.

As compliance risk intensifies, banks, credit unions, and other financial organizations are re-evaluating whether their internal teams should be managing these responsibilities at all. Not surprisingly, many are taking a fresh look at outsourcing all or part of their administration to reduce the complexity and compliance risk associated with managing an IRA, HSA, and ESA program in-house.

What they're finding is that partnering with a tech-enabled strategic growth company like Ascensus, can help with:

- **Offloading administrative burdens** by streamlining front- and back-office workflows and offloading all or part of administration tasks.
- **Simplifying regulatory and reporting compliance** by leveraging an external team of compliance specialists.
- **Improving business outcomes** by boosting operational efficiencies—without having to increase investment in technology or personnel.
- **Driving customer engagement and product utilization** by reducing the friction involved in opening and managing IRAs, HSAs, and ESAs.
- **Standing out from the competition** by delivering user-friendly, modern solutions, along with tools and support tailored to meet customers' financial goals.

[4] *Real Talk, Real Benefits of HSAs: A Close Look at the EBRI Health Savings Account Database*, April 25, 2023. https://www.ebri.org/docs/default-source/webinars/hsas042523.pdf?sfvrsn=4493392f_2

[5] *High Deductible Health Plans and Heath Savings Account*, 2024. U.S. Bureau of Labor Statistics. https://www.bls.gov/ebs/factsheets/high-deductible-health-plans-and-health-savings-accounts.htm

Cutting Costs Without Cutting Corners

When weighing whether to keep administration in-house or partner with an organization to do the heavy lifting, it's important to consider both the tangible—and intangible—costs of both options.

Benefits of Partnering with Ascensus

- Mitigate compliance and legal exposure
- Access to specialized expertise
- Decrease need/cost to develop and maintain compliant systems
- Reduce cost of recruiting, training, and managing staff to maintain your program
- Heighten ability to focus on core operational activities
- Enable agility to scale up or down quickly in response to market demands
- Minimize reputational risk and protect your brand
- Keep pace with changing regulatory, tax, and reporting requirements

Not All Strategic Growth Partners Are the Same

To maximize the benefits of providing an IRA, HSA, or ESA solution, look for a strategic growth partner with these important qualities:

1. **Scale.** Focus on a partner that has the tools, technology, and expertise to flex and grow their capabilities to accommodate your organization's needs and objectives not just today but as they evolve and grow in the future.
2. **Alignment.** Look for a partner that understands your business goals and vision and shares your cultural values. This will help ensure your needs are met and your brand reputation is supported and protected.
3. **Regulatory expertise.** Prioritize a partner that has a proven track record in administration and the deep knowledge of regulatory and tax reporting requirements necessary to keep IRAs, HSAs, and ESAs in full compliance.
4. **Data security and confidentiality**. Carefully assess the partner's security protocols, compliance with industry standards, data protection policies, employee training, and the physical and digital security measures it takes to ensure the safety and integrity of your sensitive data and customers' confidential information.
5. **Transparency.** Finally, understand the strategic growth partner's fee structure so that you understand the true cost of providing an IRA, HSA, or ESA product, both to your organization and your customers.

Organizations switching to Ascensus' Fully-Administered Program have on average experienced a significant reduction in the number of processing and tax reporting errors.[6]

We Do the Heavy Lifting, So You Don't Have To

The right strategic growth partner can enable your financial organization to offer competitive tax-advantaged savings solutions with minimal lift on you or your staff—and realize new strategic revenue streams with speed and an uncompromising commitment to quality.

Today, nearly 3,000 banks, credit unions, and other financial organizations rely on Ascensus' Fully-Administered Program to provide complete administrative, operational, training, consulting, and compliance support for their IRA, HSA, and ESA programs. An additional 200 organizations utilize our Self-Administered Program, which leverages advanced technology to simplify in-house IRA, HSA, and ESA administration.[7]

Options to Meet Your Needs

	Ascensus Self-Administered Program	Ascensus Fully-Administered Program
Compliant and intuitive forms generation	✓	✓
eSign and integrated document imaging	✓	✓
Call-center support	✓	✓
Technical reference manuals	✓	✓
Staff training	✓	✓
Compliance technology	✓	✓
Beneficiary claims processing		✓
RMD and scheduled payments		✓
Tax reporting		✓

[6] Ascensus mitigates over $8 million in potential IRS penalties annually for organizations utilizing the Ascensus' Fully-Administered Program based on errors and warnings discovered for Fully-Administered clients who submit tax to Ascensus.

[7] As of September 2025.

At Ascensus, our focus on providing service excellence shows in our ***Net Promoter Score® of +79 (Excellent)*** *and in our average* ***Client Satisfaction score of +93 (World Class).***[8]

Details Tell a Deeper Story

While administration solutions may all seem alike, Ascensus' administration program for IRAs, HSAs, and ESAs provides a more complete outsourcing solution:

Client service excellence
Our dedicated in-house call center is staffed with trained and knowledgeable associates who handle **more than 100,000** client calls annually.[9]

Trusted administrative support
Each year, we process **36,000+** beneficiary claims and manage **40,000+** RMD and scheduled payments.[9]

Timely and accurate
We generate **nearly 2 million** IRS 1099 Forms and **over 1.6 million** IRS 5498 Forms to IRA, HSA, and ESA owners each year.[10]

Trusted risk mitigation
We ensure timely and accurate filing of required forms, maintain compliance with current rules and regulations, and assist you and your account owners in avoiding IRS penalties. If corrections are necessary, we are here to support you. Last year, we mitigated over **$8 million** in potential IRS penalties for our clients.[10]

To learn how we can help you improve efficiency, maintain compliance, and protect your bottom line, reach out to our team today.

[8] As of September 2025.
[9] As of January 2025.
[10] As of July 2025.

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