

HSAs

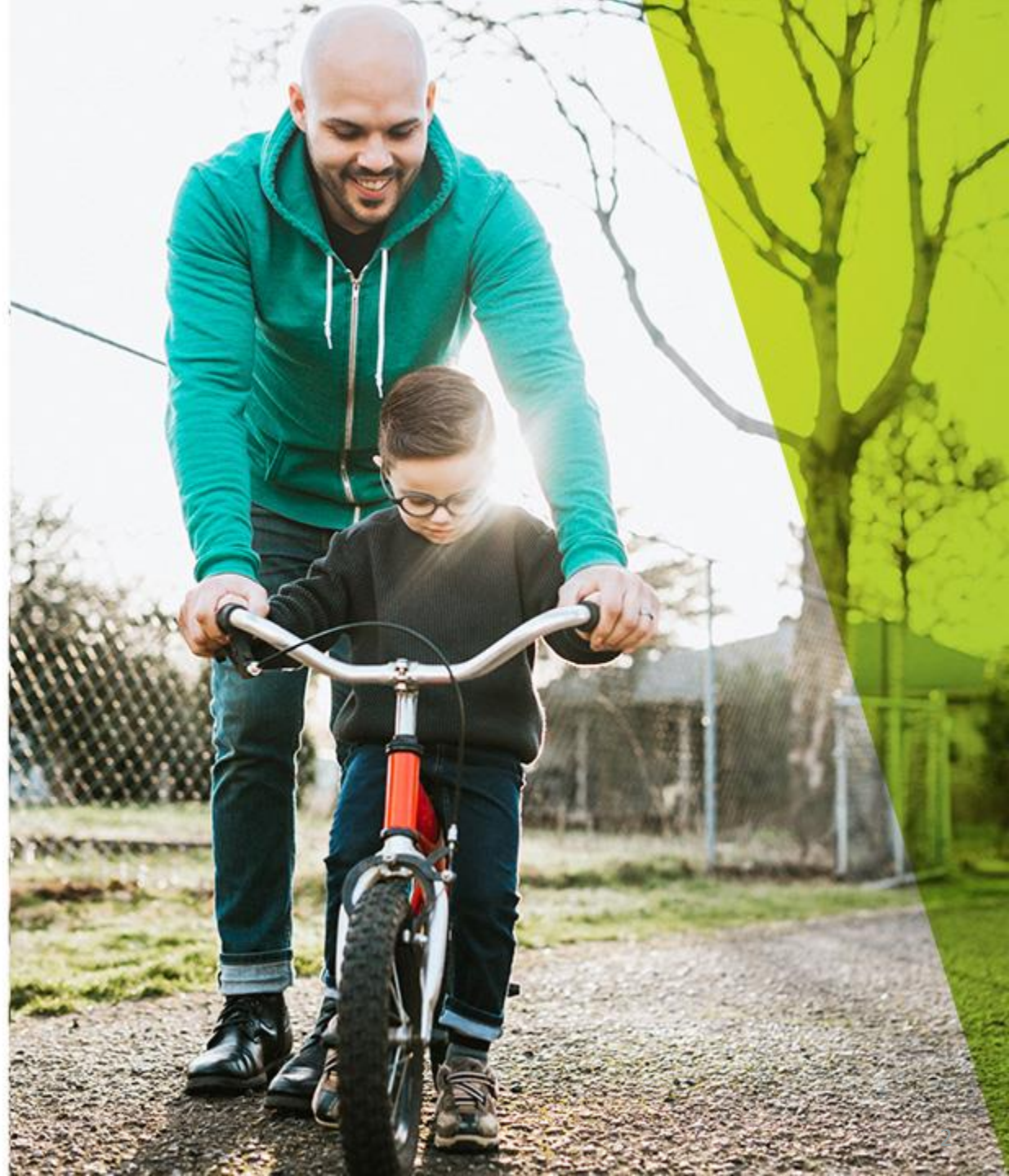
From safety net
to nest egg



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Your health means
everything.



What's your safety net?

40%
NEVER
SAVE FOR FUTURE
HEALTHCARE
EXPENSES



30%
NEVER
CONSIDER
COSTS

HSA Bank Health & Wealth IndexSM 2019

What's an HSA?

1

Unique savings account

Use it for medical expenses not covered by your insurance.



2

Retirement account

Your HSA is like a 401(k) with added benefits.

How it works

Must have an HDHP

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Used for qualified medical expenses

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Used before and after meeting deductible

Using your HSA for IRS-qualified medical expenses

- Acupuncture
- Ambulance
- Artificial limbs
- Artificial teeth
- Birth control treatment
- Blood sugar test kits for diabetics
- Breast pumps and lactation supplies
- Chiropractor
- Contact lenses and solutions
- Crutches
- Dental treatments (including X-rays, cleanings, fillings, sealants, braces and tooth removals)
- Doctor's office visits and copays
- Drug addiction treatment
- Drug prescriptions
- Eyeglasses (Rx and reading)
- Fluoride treatments
- Fertility enhancement (including in-vitro fertilization)
- Flu shots
- Guide dogs
- Hearing aids and batteries
- Infertility treatment
- Inpatient alcoholism treatment
- Insulin
- Laboratory fees
- Laser eye surgery
- Medical alert bracelet
- Medical records charges
- Menstrual care products
- Midwife
- Occlusal guards to prevent teeth grinding
- Orthodontics
- Orthotic inserts (custom or off the shelf)
- Over-the-counter medicines and drugs
- Physical therapy
- Special education services for learning disabilities (recommended by a doctor)
- Speech therapy
- Stop-smoking programs (including nicotine gum or patches, if prescribed)
- Surgery, excluding cosmetic surgery
- Vaccines
- Vasectomy
- Vision exam
- Walker, cane
- Wheelchair

hsabank.com/QME

How to save in your HSA

Anyone can contribute to your account.

View the annual contribution limits at hsabank.com/irs-guidelines.

“If you’re 55 or older, you may be eligible to make a catch-up contribution of an extra

\$1,000
per year.”

How to save in your HSA

1

Recurring contributions

2

One-time contribution

3

Use your premium savings

4

Yours forever





How to pay with your HSA

Debit card

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Online bill pay

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Reimburse yourself

for qualified expenses paid out of pocket after account opening

Who can open an HSA?

- 1** *Not covered by another type of health plan, including Medicare*
- 2** *Not covered by TRICARE*
- 3** *Not covered by Indian Health Services*
- 4** *Not receive medical benefits from the VA for non-service-connected disabilities in the previous three months**
- 5** *Not claimed as a dependent on another person's tax return (except spouse's)*
- 6** *Not covered under a general-purpose healthcare FSA or HRA*

*Title 38 of the United States Code, Section 101(17) defines "non-service-connected" as, with respect to disability, that such disability was not incurred or aggravated in line of duty in the active military, naval, or air service.

What can an HSA
do for YOU?



Your best financial safety net

A healthy 65-year-old couple can expect over

\$600,000

in future lifetime healthcare costs.

Pay less in taxes

1

You don't pay federal taxes on contributions to your HSA.*

2

Earnings to your HSA from interest and investments are tax free.

3

You don't pay taxes on distributions when used for qualified medical expenses.

*Earnings are exempt from federal taxes. Most states do not tax HSA earnings. However, state tax treatment varies. Please consult with a tax advisor or the state department of revenue for more information.



Boost your retirement savings

After age 65, you can use your savings for any purpose without a penalty.

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Take advantage of investment options.*

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Like a 401(k), your HSA helps you keep more of your own money when you retire.

*Investment accounts are not FDIC insured and they are not bank guaranteed. Investment accounts are not a deposit account, or an obligation of HSA Bank, and they may lose value. They are not guaranteed by any federal government agency. Only funds above \$1,000 in your HSA cash account can be transferred to your investment account.

401(k) vs. HSA for retirement savings

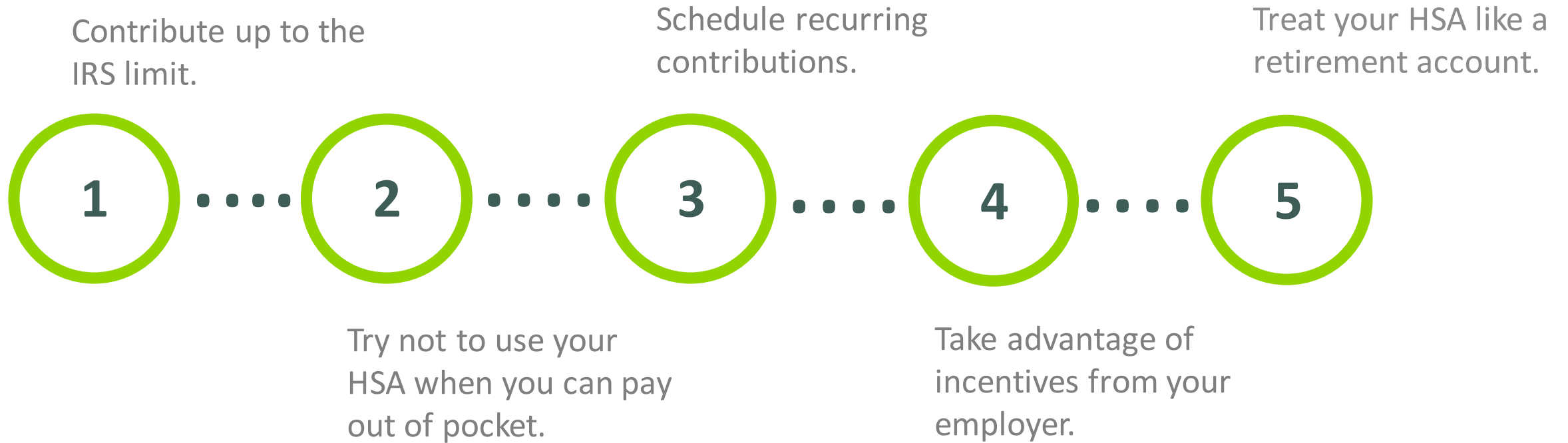
401(k) **-\$24,000** **\$76,000**
\$100,000 (taxes) for healthcare

HSA **\$100,000**
\$100,000 for healthcare

If you use your 401(k) for healthcare expenses, you'll pay taxes. You'll never pay taxes for healthcare expenses when you use your HSA.

“The Long-Term Value of an HSA.” *HealthView Services*. May 2020. <https://hvsfinancial.com/wp-content/uploads/2020/05/the-Long-Term-Value-of-an-HSA-1.pdf>

Making the most of your HSA



Do the math

PPO vs. HDHP Family Coverage

Type of plan	Annual premium	Annual deductible	Annual coinsurance	Annual employer HSA contribution	Annual total max out-of-pocket
PPO (+ copays)	\$6,050	+ \$2,500	+ \$5,000	- \$0	= \$13,550
HDHP	\$4,600	+ \$4,500	+ \$2,700	- \$880	= \$10,920

This example is for illustrative purposes only.
Amounts shown vary by plan design and employer discretion.

**HDHP is
\$2,630 less**

Do the math

Consider more than just the built-in plan costs.

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Factor in your unique health, ability to save, and incentives.

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Calculate for yourself at hsabank.com/calculators.

Thank you

