

## HSA: Part of your financial plan



If you are like most people, you may think about your health savings account (HSA) solely as a way to pay for current-year qualified medical expenses, such as trips to the doctor or prescriptions. But did you know it can also be used as a savings tool? Your HSA can be used as part of your broader financial planning to create a savings nest egg and potentially save big on taxes.

### Comparing financial accounts

Unlike other accounts, an HSA is one of the only savings vehicles that allows you to put money in tax-free, grow your savings tax-free (interest and investment earnings are not taxed), and take the money out income tax-free for qualified medical expenses.

Type of account	Income tax-free contributions	Income tax-free growth	Income tax-free distributions
401(k), 403(b), traditional IRA	●	●	
Roth IRA		●	●
<b>HSA</b>	●	●	●

### Investing with your HSA

Your Optum Bank HSA is also a smart long-term investment vehicle that can play an even greater role in your overall wealth and retirement strategy. Once your HSA reaches the investment threshold, you may choose to invest a portion of your HSA dollars. Optum Bank makes investing easy and more accessible for you by offering two investment opportunities.

**Optum Bank Self-directed mutual funds:** Choose from a wide variety of over 30 mutual funds, that average a four-star Morningstar rating and represent some of the lowest expense ratios in the industry, including life stage funds.

**Betterment digitally managed investments:** Betterment helps take the guesswork out of investing your HSA. Based on your HSA investment goals, Betterment will recommend a personalized portfolio of low-cost exchange traded funds (ETFs) and help keep your HSA investment on track through auto-deposits and automated rebalancing.

## Contributing the max

The more you contribute to your HSA today, the more you have for retirement in the future. Each year the IRS sets limits on how much you can contribute to your HSA. Know the limits that apply to you and consider contributing the max.

- \$3,550 for individual coverage in 2020; \$3,600 in 2021
- \$7,100 for family coverage in 2020; \$7,200 in 2021
- \$1,000 additional catch-up contribution for age 55

## Planning for retirement: How much will you need?

Knowing how much money you will need in retirement can be confusing. Luckily, Optum has tools to help. You can get a personalized estimate of how much you may need to save for medical expenses in retirement by taking the Health Savings Checkup at [healthsavingscheckup.com](https://healthsavingscheckup.com).

## Using your HSA during retirement

The benefits of an HSA don't stop when you retire. While you are no longer allowed to contribute to your HSA after enrolling in Medicare you can still use your HSA funds income tax-free to pay for qualified medical expenses. You can also use your HSA to pay for Medicare premiums and qualified out-of-pocket expenses including deductibles, copays and coinsurance for:

- Part A (hospital and inpatient care)
- Part B (doctor and outpatient care)
- Part D (prescription drugs)

As an additional benefit, once you turn 65, you can withdraw the money from your HSA for nonqualified expenses without a penalty. You will just be required to pay ordinary income tax on that amount.

Include your HSA as part of your financial planning strategy. Take advantage of both the short- and long-term tax benefits of an HSA.



**Have questions?**  
Visit [optumbank.com](https://optumbank.com)

Investments are not FDIC insured, are not guaranteed by Optum Bank®, and may lose value.



Mutual fund investment options are made available through the services of an independent investment advisor and shares are offered through Charles Schwab & Co., Inc., a registered broker-dealer. Orders are accepted to effect transactions in securities only as an accommodation to HSA owner. Optum Bank is not a broker-dealer or registered investment advisor, and does not provide investment advice or research concerning securities, make recommendations concerning securities, or otherwise solicit securities transactions.

Health savings accounts (HSAs) are individual accounts offered or administered by Optum Bank®, Member FDIC, and are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account. This communication is not intended as legal or tax advice. Federal and state laws and regulations are subject to change.

Advisory services provided by Betterment LLC, an SEC-registered investment adviser.

Brokerage services provided to clients of Betterment LLC by Betterment Securities, an SEC-registered broker-dealer and member of FINRA/SIPC. To the extent that this message is notifying you of the availability of a trade confirmation or account statement, this notification is being made by Betterment Securities.

**Investments in securities: Not FDIC Insured • No Bank Guarantee • May Lose Value.** Investing in securities involves risks, and there is always the potential of losing money when you invest in securities. Before investing, consider your investment objectives and Betterment LLC's charges and expenses. Past performance does not guarantee future results, and the likelihood of investment outcomes are hypothetical in nature.