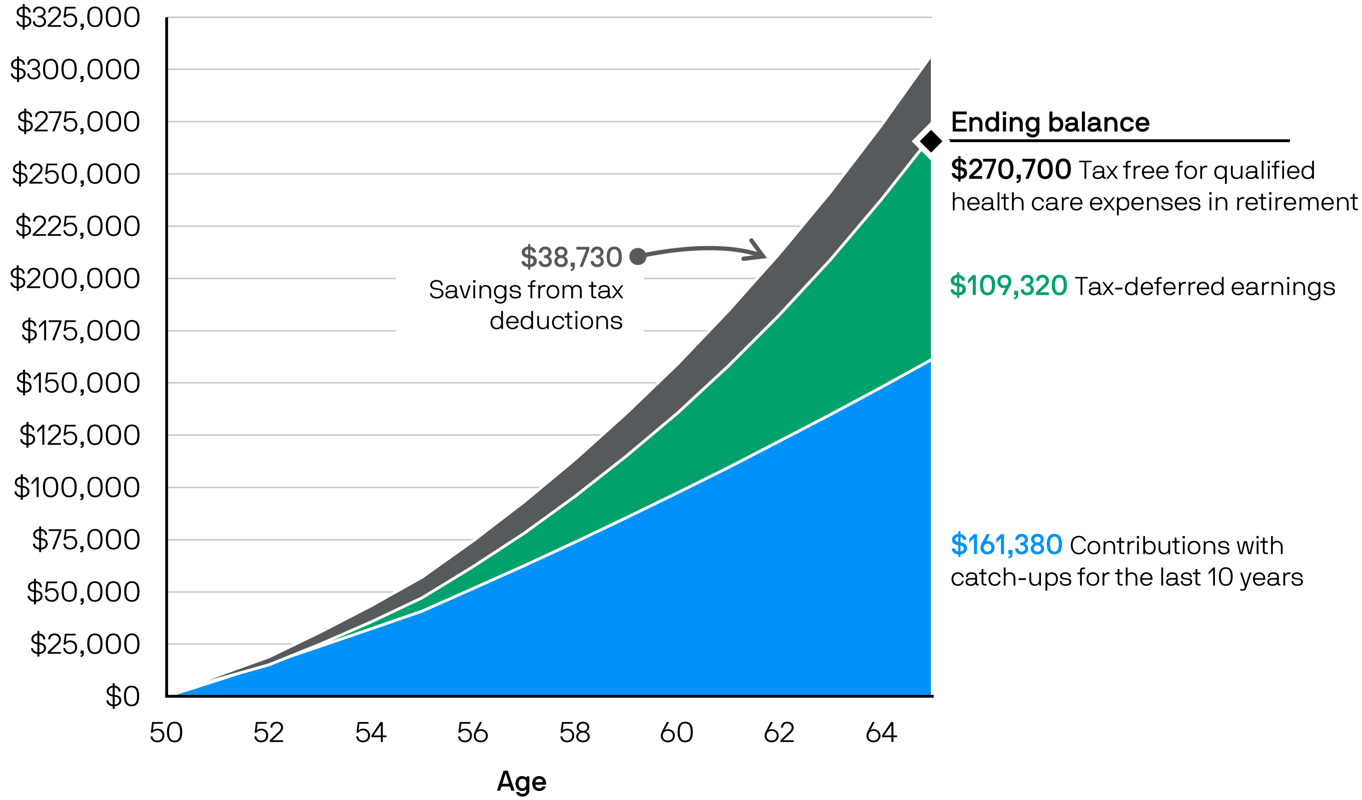
Maximizing an HSA for health care expenses

Health Savings Accounts (HSAs) are triple tax advantaged[1]

Maximum family contribution with catch-ups, 7% return and 24% marginal tax rate



Make the most of it

Investing your HSA contributions for the long term and paying for current health care expenses out of income or short-term savings can provide significant tax-free funds for health care expenses in retirement.

$270,700 would provide about 14 years of qualified Medicare-related health care expenses for a couple.

[1]Must have a qualifying high-deductible health plan to make contributions. Funds in the HSA may be withdrawn tax free for qualified medical expenses unless a credit or deduction for medical expenses is claimed. After age 65 funds also may be withdrawn for any reason and taxed as ordinary income without penalty. Some health insurance premiums may be qualified expenses such as COBRA coverage, coverage while receiving state or federal unemployment compensation, Medicare Part B and D premiums and qualified long-term care (LTC) insurance premiums up to certain limits but excludes Medigap/Medicare supplement policies and most hybrid products that combine LTC with annuities and life insurance. See IRS Publications 969 and 502. This is not intended to be individual tax advice; consult a tax professional.

The above example is for illustrative purposes only and not indicative of any investment. 2023 family contribution limit of $7,750 is adjusted for inflation of 2.5% for 15 years with catch-up contributions of $1,000 per person starting at age 55 in 2028. Does not include account fees. Present value of illustrated HSA is $185,520. Estimated savings from tax deductions at a 37% marginal rate are $59,710. Assumes cash or income used for health care expenses is not withdrawn from an account with a tax liability. Assumes $2,000 was held in a cash account and not earning a return. Individual 2023 contribution limit is $3,850.