

HSAs: Strengthening retirement savings

Safeguarding health & wealth

When it comes to healthcare expenses in retirement, Health Savings Accounts (HSAs) are an effective tool for maximizing savings. That's because HSAs offer individuals and families three unique tax benefits:*

- 1 Contributions made to an HSA are tax deductible or pretax if made through a payroll deduction.
- 2 Account growth, including interest earned and investment gains, is tax free.
- 3 Distributions are tax free when used for IRS-qualified healthcare expenses.

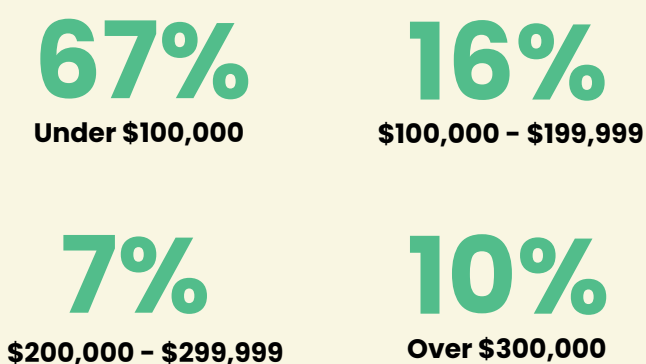
Consumers underestimate how much money they will need for healthcare expenses in retirement.

Two-thirds (67 percent) of consumers believe they will need less than \$100,000 for healthcare expenses in retirement. In reality, studies have shown that consumers could need almost double this amount.

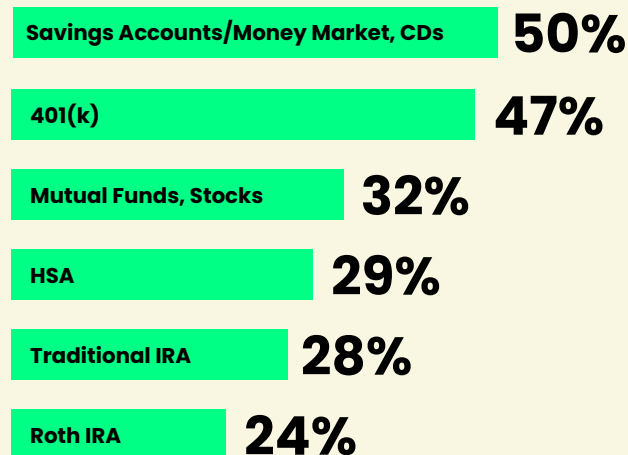
Methodology

The survey of 1,200 individuals across the U.S. was commissioned by HSA Bank and executed by a third-party organization in September 2017. The margin of error for this sample size is +/-3.09 percent at the 95% confidence level.

Amount consumers believe they will need for healthcare expenses

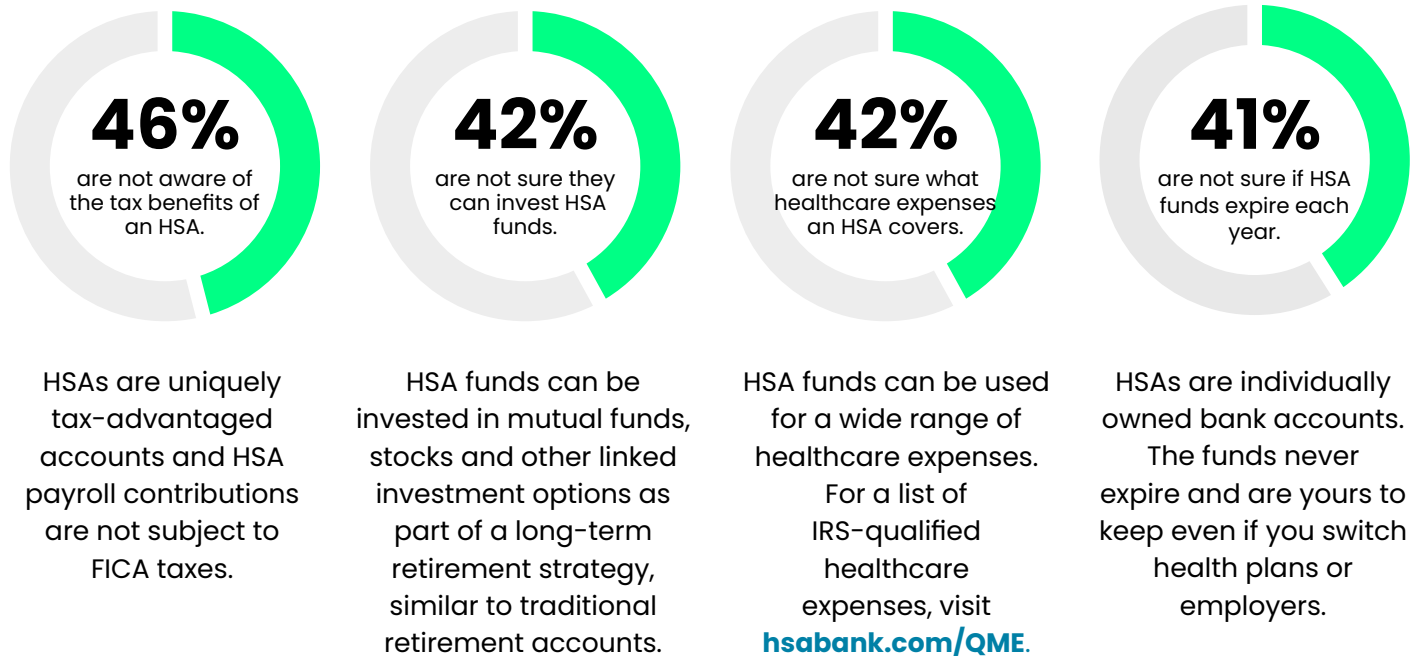


Accounts used to save for healthcare expenses in retirement



HSAs are a cost-effective way to pay for healthcare expenses, yet not widely used.

Our data shows that today's consumers are more likely to save for retirement healthcare expenses using savings accounts, 401(k)s and investments before an HSA. Influenced by both the familiarity of more traditional savings vehicles and inexperience with the HSA model, this approach does not enable consumers to maximize their savings since these savings vehicles are all subject to income tax. With an HSA, consumers won't pay income tax on these funds if used for IRS-qualified healthcare expenses. This includes any interest, dividends, or capital gains from investments.*



While HSAs are a cost-effective way to pay for IRS-qualified healthcare expenses due to the unique tax benefits and investment capabilities, they are only one component of a healthy retirement benefits strategy. By combining HSA savings with savings from traditional retirement vehicles, consumers will be better prepared for the significant expenses they will incur during their retirement years.

SECURITIES AND INVESTMENTS

Not Insured by FDIC or Any Other Government Agency	Not Bank Guaranteed	Not Bank Deposits or Obligations	May Lose Value
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*State taxes may apply. Consult your tax professional.

