



Insights from an Advisor Interview

HSAs: An important strategy for retirement readiness

Health Savings Accounts (HSAs) are gaining in popularity as a retirement tool, as more employers are providing them as part of their benefits programs to help employees manage healthcare expenses. Employees can invest HSA funds to potentially grow their savings for retirement nest eggs, while still keeping funds available for current healthcare expenses. Offering an HSA program to employers is an effective way to expand your advisor services and enhance relationships with your clients. On average, a person retiring today will need \$180,000 to cover healthcare expenses in retirement.¹ Now is a great time to talk to your employer clients about HSAs so their employees can be better prepared for healthcare costs.

An advisor's take on HSAs

HSA Bank turned to Laura Cooley, retirement plan advisor from Lawley Retirement Advisors, for her insights. Read the Q&A to learn more about why Cooley sells HSAs and how they benefit her employer clients.



Laura Cooley, retirement plan advisor, Lawley

Cooley's role as a retirement plan advisor is to consult with business owners on plan design solutions and ensure the plan maximizes opportunities for employers and their employees. She does this through plan reviews, evaluating and monitoring fees, investment selection, employee participation, service providers, and compliance procedures.

Cooley graduated from the University at Buffalo with a Bachelor of Business Administration with concentrations in finance and marketing. She lives in West Seneca, NY with her husband, Ray, and daughters Kate, Claire, and Nina. In her spare time she enjoys reading, writing, and cooking.

HSA Bank (HB): Why do you feel it's necessary to offer HSAs to your clients right now?

Laura Cooley (LC): HSAs have three key benefits that make them very valuable to employees: 1) triple tax savings; 2) balances that roll over year after year; and 3) portability [stays with the account holder even if they change jobs or retire, like a 401(k)]. These have the potential to provide people with a significant asset that can be used to pay for healthcare expenses in retirement.

HB: What kinds of employers are you working with? Are they new to offering HSAs with a high-deductible health plan (HDHP)?

LC: We are offering this to established businesses that have a larger employee base. The employer and employees are familiar with HSAs.

15%

of people say they frequently save money specifically for future healthcare expenses.²

52%

of people say they frequently or occasionally worry about current or future medical bills.²

83%

of people over 65 report worrying about current or future healthcare bills.²

HSAAdvisor+SM

is the only open-architecture platform that lets advisors generate revenue for delivering customized HSA investment lineups, which enhance the retirement capabilities for employees and plan sponsors.

HB: How did you bring up the subject of HSAs to your plan sponsors?

LC: The integration of health and wealth is something we very much believe in, so this is woven into our discussions as we address things like employee engagement and how to move the needle on retirement readiness. We are uniquely positioned to team up with our benefits producers to introduce this to employers.

HB: What awareness did your plan sponsor clients have in terms of HSA capabilities such as investment options, balances don't expire, etc.?

LC: It varies, but the larger employers who have dedicated HR and benefits teams seem to have a better understanding not only of the basic HSA features, but the option to invest.

HB: What type of advice are you giving?

LC: Our firm built investment models so we are not giving individual investment advice, but we're helping explain how the models work and how to determine risk tolerance.

The information we cover in the discussions and education sessions includes:

- What are the benefits of an HSA?
- The importance of health and wealth.
- How much should you invest?
- Employer onboarding [process] and resources.
- How can an employee get started?
- Employee resources.
- Investment models and performance.
- How to determine risk tolerance.
- A demo of the HSA website, if applicable.

HB: In the investments, are you trying to mimic the 401(k), or are you using different risk-based portfolios?

LC: We created five models that range from aggressive growth to income. The investment solution is streamlined to help employees make quicker and easier decisions when investing their account.

HB: Is it important for HSA providers to offer open architecture in the HSA?

LC: Absolutely. The fact that we can build our risk-based models from a diverse lineup of funds is extremely important.

HB: Why is it important to offer HSAs as an advisor?

LC: It shows our commitment to offering solutions that can help employers and employees prepare for retirement.



Start offering HSAs today

Are you interested in offering an open-architecture HSA investment platform that gives you the opportunity to customize and oversee HSA investments, provide reporting, and receive compensation?

Learn more about offering **HSA**Advisor+ to your employer clients and empowering employees to better manage their healthcare expenses today and in retirement.

Our advisor experts will help you and your employer clients navigate HSAs.

Contact us today: **hsabank.com/HSAdvisorContact**

About HSA Bank

HSA Bank is a trusted leader in consumer-directed healthcare (CDH), focusing on Health Savings Accounts (HSAs) for over two decades and serving as both the bank and administrator. Discover how we can support your benefits strategy with our comprehensive account-based health benefit solutions that include HSAs, Flexible Spending Accounts (FSAs), Health Reimbursement Arrangements (HRAs), Commuter Benefits, COBRA Administration, and HSA retirement solutions such as **HSA**Advisor+. With a reputation for outstanding service and thought leadership in the CDH space, we offer one platform and one portal for all of our members. HSA Bank inspires 3 million members and more than 35,000 employer groups to “own your health” by making it easy to access, understand, and afford healthcare.

¹“HealthView Services 2018 Retirement Healthcare Costs Data Report.” HealthView Services. 9 May 2019. <http://www.hvsfinancial.com/wp-content/uploads/2018/09/2018-Retirement-Health-Care-Costs-Data-Report.pdf>

²“HSA Bank Health and Wealth IndexSM 2020.” HSA Bank. 16 Jul. 2020. <https://www.hsabank.com/~media/files/whitepaper/2020/2020-health-and-wealth-index-report>

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.

