

Investing Your HSA Funds

A tax-advantaged way to accelerate your retirement savings!

Your health savings account (HSA) is a powerful tool that helps you save money for current and future healthcare needs. But your HSA is more than just a spending account to pay for your out-of-pocket healthcare costs this year. You may not realize this, but your HSA is also a powerful investment vehicle!

How much can you save?

By contributing the maximum amount to your account and minimizing withdrawals, you can build a substantial nest egg for retirement.

Assume you start contributing to your HSA at age 25, contribute \$3,600 every year until age 65, and earn an average return of 5% by investing your funds. If you do not make any withdrawals for medical expenses, by age 65 your HSA will be worth more than \$460,223.*

How do I open an investment account?

Log in to the member portal at <https://medcom.wealthcareportal.com> to open an HSA investment account and start saving today! To learn more, view our [HSA investment guide](#).

*For illustrative purposes only. Savings calculations are based on a federal tax rate of 22% and a state tax rate of 5%. Your tax situation may be different. Consult a tax advisor.

Advantages of an HSA investment account

Once your HSA balance reaches \$1,000, you can begin using your HSA to build wealth and save for retirement — by investing your HSA funds, just like a 401k. Why should you use your HSA as a long-term savings and investment vehicle?

- ✓ HSAs offer a triple-tax advantage — money goes into your account tax-free, grows tax-free, and comes out tax-free. No other investment account offers this benefit!
- ✓ If you're like most people, you're not saving enough for retirement, especially when it comes to future healthcare expenses. A 65-year-old couple can expect to spend \$295,000 on out-of-pocket healthcare costs during retirement. Investing your HSA funds helps ensure you have enough money set aside for the future.
- ✓ An HSA offers broader tax savings than any other investment account. Once you begin drawing funds from a 401k or IRA, you pay income taxes on all withdrawals. With your HSA,
 - ✓ you never pay income taxes on withdrawals for qualified medical expenses.
 - ✓ After age 65, you can spend your HSA dollars on anything, even non-healthcare expenses. You'll simply owe income taxes on withdrawals for non-qualified expenses.
 - ✓ You can move funds from your investment account back into your HSA spending account at any time.