

# Planning for retirement with an HSA

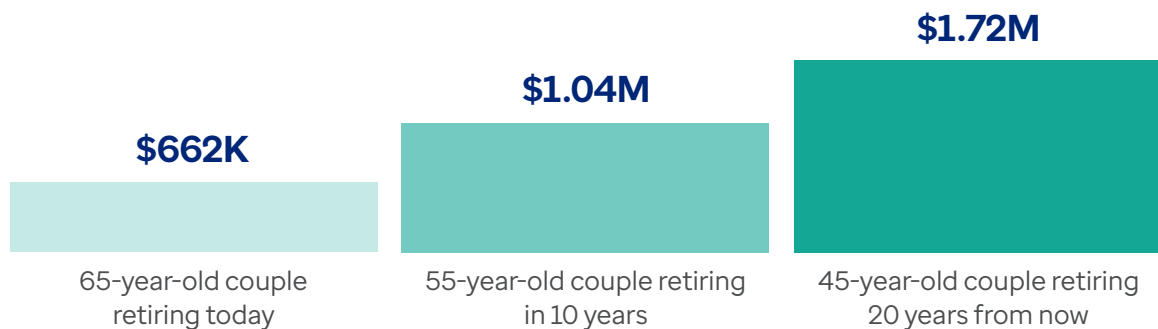
Let your HSA (health savings account) help you plan for the future



Health care expenses are one of the top financial worries in retirement – especially for people with health conditions. As you're planning for the future, think about how your HSA can help ease your mind and prepare you for retirement by saving money income tax-free.

## Wondering how much you might need to save?

Good question. Here are the current health savings recommendations for retirement<sup>1</sup>:



Looking for a personalized estimate? Take the Optum Financial Health Savings Checkup at [healthsavingscheckup.com](https://healthsavingscheckup.com). Answer a few questions about your health, your HSA activity and retirement goals, and you will receive a personalized snapshot of your potential health care expenses in retirement. You'll also get ideas to help you stay healthy, spend less and save more.



### How Doris is saving for retirement

Doris is 60 and preparing for retirement. For the past 5 years, she has been contributing the maximum amount allowed by the IRS. See how fast her account balance has grown – and how much she's saved on taxes.<sup>2</sup>



**Total contributions**  
**\$39,950**  
over the past 5 years



**Saved over**  
**\$14,641**  
on taxes in the past 5 years

## Investing with an HSA

Investing\* HSA dollars has many potential tax benefits and can be an additional way to save for long-term health care needs and financial goals. Once your HSA reaches the investment threshold, you may choose to invest a portion of your HSA dollars. Optum Financial makes investing easy and more accessible for you by offering 2 investment opportunities.

- 1 Self-directed mutual funds:** Choose from a wide variety of over 30 mutual funds that average a 4-star Morningstar rating and represent some of the lowest expense ratios in the industry, including life-stage funds.
- 2 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.

## Catch-up contributions

Once you turn 55, you can contribute an additional \$1,000 each year to your HSA, called a catch-up contribution. If you and your spouse are both over the age of 55, you can each contribute an additional \$1,000. Your spouse will just need to open their own HSA for their additional portion.

## With personalized, online advice through Betterment:

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)

Keep in mind that standard Medicare does not cover hearing aids or vision, dental or nursing home care.

## Withdrawing funds during retirement

You can use the money in your HSA to pay or be reimbursed for qualified medical expenses at any time. Once you turn 65, however, 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.



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

\* Investments are not FDIC insured, are not bank issued or guaranteed by Optum Financial or its subsidiaries, including Optum Bank, and are subject to risk, including fluctuations in value and the possible loss of the principal amount invested.

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1. HealthView Services: 2021 Retirement Health Care Costs Data Report.

2. Contributions are based on IRS contribution limits for family coverage from 2017-2021 and include catch-up contributions. Tax savings assumes a 24% federal tax rate, 5% state tax rate and 7.65% FICA in a tax-exempt HSA state. Results and amounts will vary depending on your particular circumstances.

Self-directed mutual fund investment options are made available through the services of an independent investment advisor, or your plan sponsor. Discretionary advisory services are provided by Betterment LLC, an SEC-registered investment adviser, with associated brokerage transactions provided by Betterment Securities, Member FINRA/SIPC. For details and disclosures visit [betterment.com](https://betterment.com). Schwab Health Savings Brokerage Accounts are offered through Charles Schwab & Co., Inc. (Member SIPC), the registered broker/dealer, which also provides other brokerage and custody services to its customers. See the Charles Schwab Pricing Guide for Health Savings Accounts for full fee and commission schedules. For details and disclosures, visit [schwab.com](https://schwab.com). Please consult your financial planner for more information on investments. Orders are accepted to effect transactions in securities only as an accommodation to HSA owners.

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