

Unlocking the Potential of Your

# HSA



## The Increasing Cost of Health Care is Unsustainable

**62%**

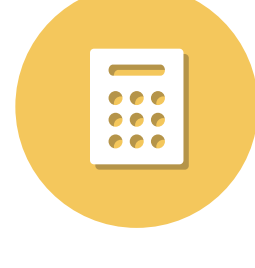
Retirees expecting to cover their health expenses with Medicare may be unpleasantly surprised, as Medicare covers on average only 62% of expenses.

**122%**

A couple retiring in 20 years will need approximately 122% of their social security benefit to cover health care costs.

**3X**

Annual retirement health care inflation rate will average 5.47% for the foreseeable future, almost triple the U.S. inflation rate of 1.9% between 2012 and 2016.



## HSAs Offer an Excellent Tax Shelter

1

**Tax-free**  
Contributions\*

2

**Tax-free**  
Growth of Earnings

3

**Tax-free**  
Distributions for Qualified  
Medical Expenses

**A Triple Tax Benefit**

\*Annual HSA maximums apply



## HSA versus FSA (what's the difference)?

### HSA

A **long-term** savings vehicle that you **can take with you** when you leave your employer.

### FSA

A **short-term** savings vehicle in which you have to use the money you contribute each year or **lose it**.



## Savings Secret: HSAs May Be Invested

Health savings accounts are set up like personal savings accounts and often see similar returns. Many people do not know that there may be alternate ways to invest their HSA money. Start to unlock the potential of your HSA with a few simple steps...

### STEP 1 - Determine An Investment Amount



#### Talk to your HSA Trustee to determine:

Minimum balance requirements in your HSA  
Minimum Trustee investment requirements  
Minimum fund specific investment requirements

#### Estimate your out-of-pocket health costs:

Determine if you need to keep enough in cash to cover your health plan deductible and out-of-pocket maximum or if you have sufficient funds outside your HSA to cover these amounts

### STEP 2 - Determine Your Investment Style



#### Do you want your investment decisions made for you by a professional?

Multi-asset class options adjust between stocks, bonds, and cash so that you don't have to. All you have to do is pick a multi-asset class option that fits with your risk tolerance and the investment manager does the rest.

#### Do you want to make your own asset allocations?

Single asset class options are available if you want to make your own decisions about how much of your account is invested in stocks, bonds, and cash.

### STEP 3 - Make Your Investment Selection



#### Determine which investment options are available from your HSA Trustee.

Options may vary.

#### Work with your financial planner to make your investment elections.

**If you can afford to pay current health expenses from other sources, let your HSA grow. The tax benefits are simply too good to pass up.**

Learn more about Health Savings Accounts and other topics on our website.

[Learn More >>](#)

**MANNING  
& NAPIER®**