



How can an HSA help secure my retirement?

Participation in a health savings account allows you to invest pre-tax dollars to prepare for retirement. Although your funds can be used to pay for immediate healthcare expenses tax-free, you can save the money for healthcare expenses later in life. You can continue to contribute year after year and withdrawals can be made at any point in time. Whether you withdraw the money tomorrow, five years from now, or in retirement, funds used for qualified healthcare expenses are always tax-free when you save your receipt.

A contribution of \$50 a month over 25 years

Tax savings	Balance
\$4,148	\$22,532

Increase the contribution to \$200 a month over 25 years

Tax savings	Balance
\$16,590	\$90,127

Maximum family contribution of \$7,000 a year over 25 years

Tax savings	Balance
\$46,650	\$253,483

*For illustrative purposes only. Savings calculations are based on a federal tax rate of 15%, state tax rate of 5%, and 7.65% FICA. Balance calculations assume an average interest rate of 3%. Actual results may vary.

2019 Contribution Limits:
Individual \$3,500
Family \$7,000

Maximum catch-up contribution
for individuals age 55 or older \$1,000

PO Box 1209
Northampton, MA 01061
800-499-3539
www.amben.com/hsa



Maximize your savings with an HSA

Why enroll in a Health Savings Account





Tax-free savings for medical expenses.

What is a Health Savings Account (HSA)?

You save by reducing your taxable gross income, spending pre-tax dollars for medical care and growing your HSA tax-free.

An HSA is a personal savings account that can be used to pay for medical, dental, vision and other qualified expenses now or later in life. To contribute to an HSA you must be enrolled in a qualified high-deductible health plan and your contributions are limited annually. If your employer offers payroll deduction, you'll see immediate tax savings on your contributions. You can use the money tax-free to pay for eligible expenses such as:

- ▶ Copays & Deductibles
- ▶ Hearing aids
- ▶ Prescriptions
- ▶ Laser Eye Surgery
- ▶ Dental Care
- ▶ Orthodontia
- ▶ Contacts & Eyeglasses
- ▶ Chiropractic Care

Since it is a savings account, you are encouraged to save more than you spend. Unlike FSA funds which are "use-it-or-lose-it," your HSA balance rolls over from year-to-year earning interest along the way. The account is portable, meaning if you ever leave your employer, you can take the HSA with you because it's **your money** and **your account**.

HSAs Offer a Triple Tax Advantage

1. Money goes in tax-free

Most employers offer a payroll deduction through a Section 125 Cafeteria Plan, allowing you to make contributions to your HSA on a pre-tax basis. The deduction is deposited into your HSA prior to taxes being applied to your paycheck, making your savings immediate. You can also contribute to your HSA post-tax and recognize the same tax savings by claiming the deduction when filing your annual taxes.

2. Money comes out tax-free

Eligible medical purchases can be made tax-free when you use your HSA. You can also pay out-of-pocket for eligible medical expenses and then reimburse yourself from your HSA. You can use your benefits debit card or online bill-pay, if available.

3. Earn interest, tax-free

The interest on HSA funds grows on a tax-free basis. And, unlike most savings accounts, interest earned on an HSA is not considered taxable income when the funds are used for eligible medical expenses.

When do you pay taxes on your HSA?

The only time you may pay taxes or penalties on your HSA funds is if you make a non-eligible purchase, or if you contribute more than the yearly maximum contribution limit. However, both circumstances can be corrected free of tax penalties by April 15th of the following calendar year.



Benefits Debit Card

Spending your HSA funds on eligible expenses has never been easier. The card allows you to avoid out-of-pocket expenses, cumbersome paperwork and reimbursement delays.



WealthCare Online & Mobile

Get account information from our easy-to-use online portal and mobile application. See your account balance in real time, Pay your provider or reimburse yourself for your eligible expenses.

Advantages *of an* HSA

- ▶ No end-of-year forfeiture of funds
- ▶ Never pay taxes on money used for eligible medical expenses
- ▶ Portable account
- ▶ Provides an excellent savings vehicle for healthcare expenses