Optum Financial®

Start small, save big over time

Wherever you go, your HSA is a valuable part of your financial plan



You may think your health savings account (HSA) is solely for current-year qualified medical expenses. But did you know it has more tax benefits than a 401(k) or IRA? That makes it a unique long-term savings vehicle, too.

Comparing financial accounts

Unlike other accounts, an HSA allows you to contribute income tax-free, grow your savings income tax-free and withdraw money income tax-free for **qualified medical expenses**.

Type of account	Income tax-free contributions	Income tax-free growth	Income tax-free distributions*
HSA	✓	✓	✓
401(k), 403(b), traditional IRA	✓	✓	
Roth IRA		✓	✓

* When distributed for qualified medical expenses.

Investing with your HSA

With all its tax advantages, your HSA is also a smart long-term investment vehicle that can play an even greater role in your overall retirement strategy. Once your HSA reaches a minimum cash balance,[1] you may choose to invest a portion of your HSA dollars. Whether you want to be hands-on with your investments or put things on autopilot, there's an available investment option that's right for you.

1. **Digitally managed investments through Betterment:**
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 investments on track through auto-deposits and automated rebalancing.

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

Contributing the max

The more you contribute to your HSA today, the more you have for retirement in the future. Unused funds are yours to keep and use for life. Each year, the IRS sets limits on how much you can contribute to your HSA. Know the limits that apply to you and consider contributing the max.

Here are contribution limits for 2027:

$4,500

for individual coverage

$9,000

for family coverage

$1,000

additional catch-up contribution for age 55+



Planning for retirement: How much will you need?

An average 45-year-old couple retiring in 20 years may spend well over a million dollars on health care costs in retirement.[2] You can get a personalized estimate of how much you may need to save for medical expenses in retirement by taking the Health Savings Checkup at **optum.com/HealthSavings**.

1. Investment threshold amounts may vary. Check with your employer or sign in to your account for more information.
2. HealthView Services: 2022 Retirement Healthcare Costs Data Report.

Using your HSA during retirement

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 funds income tax-free to pay for qualified medical expenses. At age 65 or older, you can typically 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 C
Medicare Advantage HMO and PPO plans

Part D
Prescription drugs

As an additional benefit, once you turn 65, 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.

An HSA follows you wherever you go. How you take advantage of its benefits and optimize HSA savings throughout your life is up to you!



See how Hank saves for retirement with his HSA

Hank is 45 years old and has contributed the maximum to his HSA for the last 5 years. See how fast his account balance has grown — and how much he's saved on taxes.[3]

Total contributions

$36,350
over the past 5 years

Saved over

$10,778
on taxes in the past 5 years

Ready to enroll?

Enrolling in an HSA is quick and easy because it's built into your employer's benefit options. Review your materials today so you don't miss your chance to sign up.

Curious how an HSA follows you to retirement?

Scan the QR code, or go to **optum.com/InvestmentOptions** to see how you can save.

3. Contributions are based on IRS contribution limits for family coverage from 2019–2023. Tax savings assumes a 22% federal tax rate and 7.65% FICA.

Investments are not a deposit, not FDIC insured, 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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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. 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. Please consult your financial planner for more information on investments.

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