



Turbocharge Your Retirement Savings with an HSA

Paul J. Coleman III, CFP®

Level Financial Advisors

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\$285,000

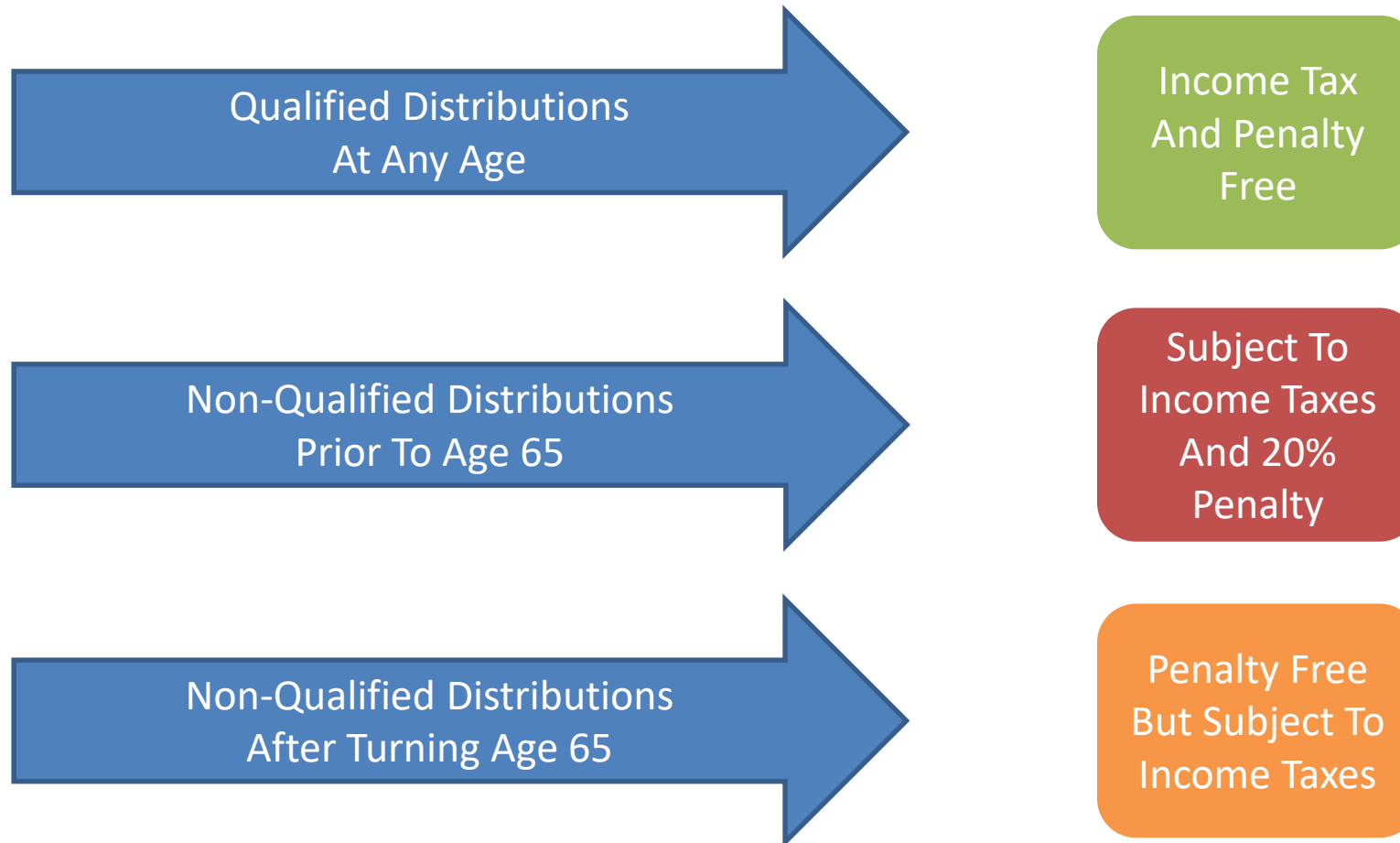
HSA Basics

- HSA = Health Savings Account
- Available since 2004, but can only contribute if enrolled in a High Deductible Health Plan (HDHP).
- Owned by the individual.
- Portable – Can take it with you job-to-job.
- Unused funds can roll over year-to-year and accumulate.
- Funds can be invested: Cash, mutual funds, ETFs, etc.

Contributions

- Can be contributed to by employee (EE) and/or employer (ER).
- Contributions are federal and state tax free to the EE.
 - FICA tax free when done through a Section 125 Plan.
- Max contribution (EE & ER combined) in 2019 (increases annually)
 - \$3,500 individual
 - \$7,000 family
 - \$1,000 additional catch up contribution if age 55 or older
- Cannot contribute after enrolled in Medicare.

Tax Treatment of HSA Distributions



How Most HSA's Are Used



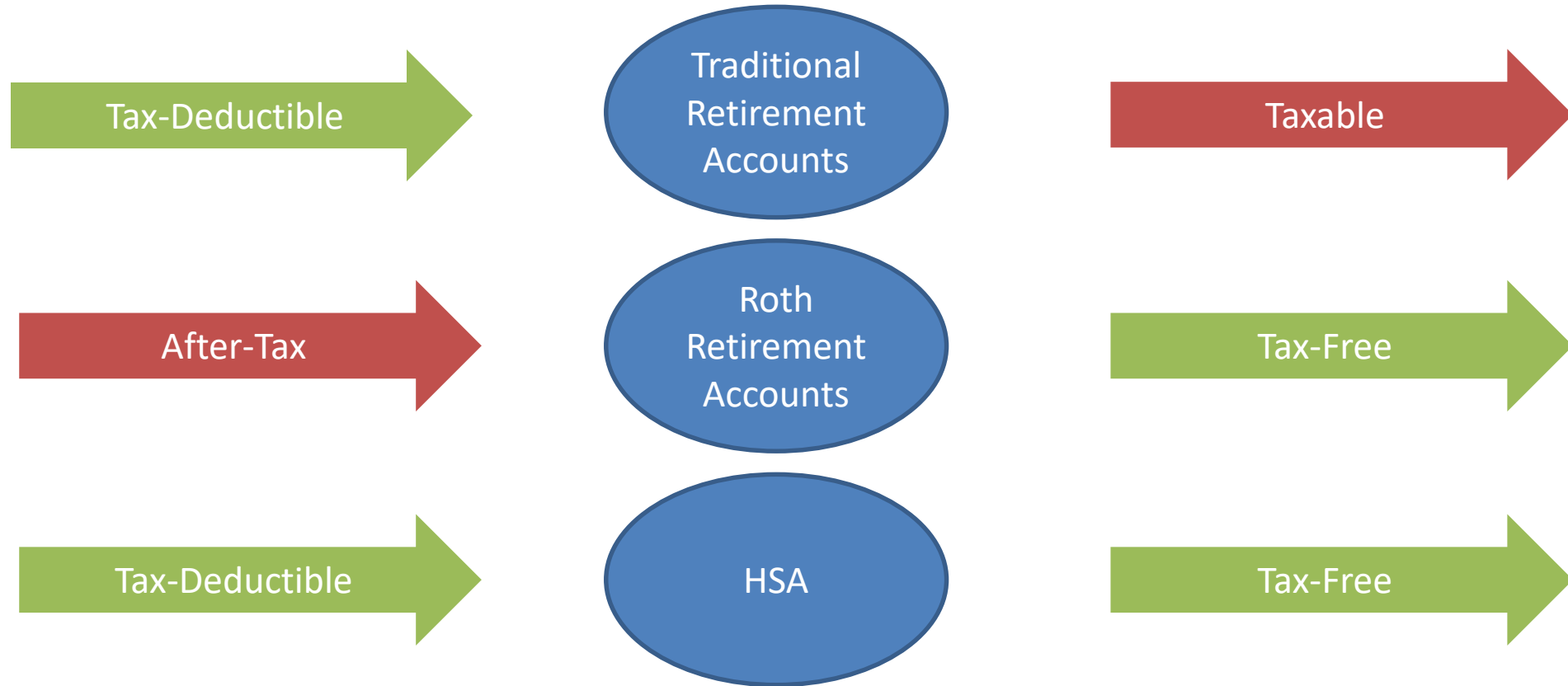
HSA as a Retirement Savings Vehicle

- Emerging strategy.
- Contribute more to your HSA than you are distributing for current medical expenses.
- Invest excess HSA funds for future growth.
- Use accumulated funds to pay for medical expenses in retirement.

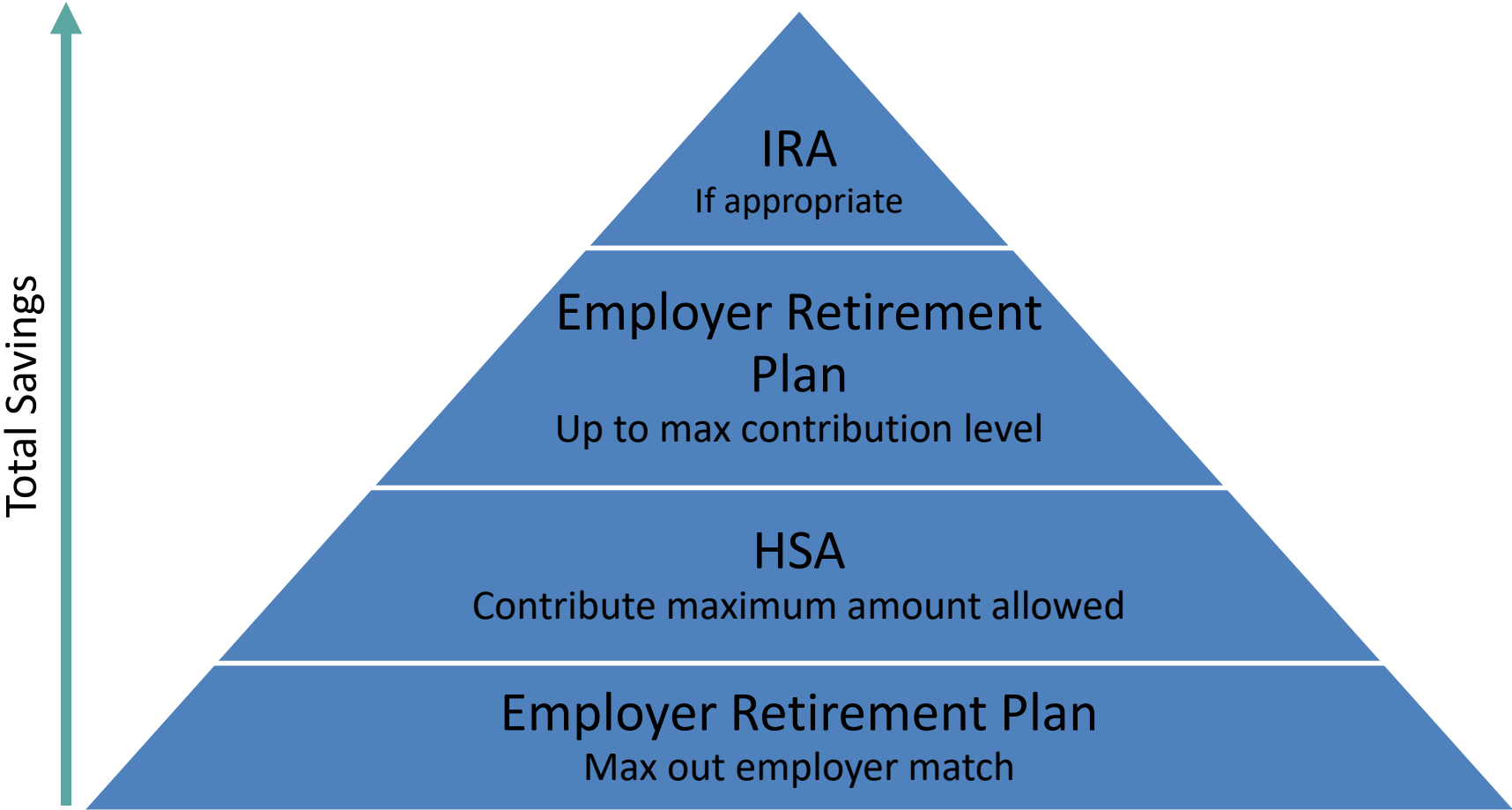
Expenses That Can Be Paid With HSA Funds After Age 65

- All the expenses allowed before age 65.
 - Most of the medical expenses that can be itemized on your tax return, except health insurance premiums.
 - See IRS Publication 502
- Along with Medicare Parts B & D premiums and a portion of long term care insurance premiums.

Tax Treatment of Contributions & Distributions to HSA and Retirement Accounts



Hierarchy of Saving



Investing Half a Family's HSA Contribution from Age 45 to Age 65



Example only. Individual results may vary depending on several factors, including market performance. Past results do not indicate future performance. Consult your financial advisor regarding your personal situation.

Investing the Majority of a Family's HSA Contribution from Age 45 to Age 65



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“Shoebox” Strategy

- Pay current medical expenses out-of-pocket.
- Save receipts of HSA qualified medical expenses in a “shoebox.”
- Leave your HSA dollars invested to compound.
- Reimburse yourself in future years.

HSA Custodian Considerations

- Fees/cost.
- Investment options.
- Investment threshold - Ability to invest from dollar one.

Contact Us

Call us anytime at 800-713-3787

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