



INVEST IN YOUR FUTURE WITH AN HSA

How is it possible to keep control of unused health dollars for future use? There is an investment tool people are taking advantage of in increasing numbers: the Health Savings Account (HSA).

HSAs serve as a pre-tax and pre-FICA fund that you can use to save money for future medical expenses. You control the account, and if you don't spend the funds on health care, the money will continue to grow over time. One of the most attractive features of the HSA is that these funds grow through the accrual of tax-free interest.

The HSA is proving itself to be a wise investment tool, not only for health care needs, but also for long-term retirement planning. The HSA fund is tax-deductible, compounds tax-free interest, and is tax-free to withdraw for medical bills (in comparison to IRA distributions that are always taxable). Also, people ages 55 to 64 can make additional contributions called "catch-up payments" to their accounts to accelerate the rate of savings.

For example, if you spend \$700 a year on health care costs, anything you contribute to your HSA above that amount is money invested for your future. A high maximum contribution limit enhances this opportunity further, particularly for those investing at a younger age.

And since an HSA can be invested in the market just like a 401(k), with tax-free interest, the opportunity for long-term growth is exponential.

Consumer-driven financial tools like HSAs motivates participants to better manage health expenditures. This in turn facilitates a focus on healthier lifestyle choices, which ultimately takes some of the burden off the health care system. It works because individuals and families have something to gain financially that also leads to living a longer, healthier life.

For any income level, HSAs are wise investment tools that effectively fund health care needs now and in the future. It's a win-win for consumers and the community.