

UNIVERSITY OF  
**Nebraska**



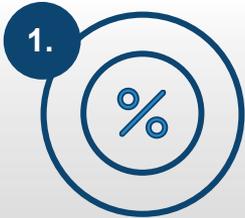
Discover the Potential  
of your HSA



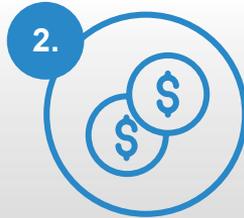
 **Fidelity**  
INVESTMENTS



# Answers to three big HSA questions



What are the tax advantages?



If you don't use it, will you lose it?



Can you invest the money?



How much do you think a couple might spend on health care costs in retirement?



\$175,000



\$200,000



\$225,000



\$250,000



\$285,000



# Healthcare expenses in retirement



The average couple retiring at the age of 65 will need

**\$285,000**

to cover their health care expenses in retirement



# How your HSA-eligible health plan and Fidelity HSA<sup>®</sup> work together



## HSA-eligible health plan

You pay a higher deductible, but the premiums are less

Money saved can be put into HSA



## Fidelity HSA<sup>®</sup>

Flexibility to use for qualified medical expenses now or later

Money is yours to keep



## How much can you contribute?

### 2019 Annual HSA contribution limits

Individual

**\$3,500**

Family

**\$7,000**

Catch-up contribution\*

**\$1,000**

Catch-up contribution\*

**\$1,000**

### 2020 Annual HSA contribution limits

Individual

**\$3,550**

Family

**\$7,100**

Catch-up contribution\*

**\$1,000**

Catch-up contribution\*

**\$1,000**

The total of all contributions cannot exceed IRS limits.



## What are you doing with your HSA?



I contribute  
as much as I can to  
my HSA.



I try to save  
a portion of my HSA  
balance every year.



I invest extra  
money in my HSA for  
potential growth.



# How much do you need to save?

Consider your  
out-of-pocket  
medical expenses



Use for current  
medical costs  
as needed



Save as much as  
possible and consider  
investing for future  
medical costs





Question 1: What are the tax advantages?





# What are the tax advantages?

# 3x

HSAs allow you to  
save on taxes.\*



Goes in tax free



Use tax free



Grows tax free

\*With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation.



Question 2: If you don't use it, will you lose it?



USE IT OR LOSE IT?



**If you don't use it, will  
you lose it?**

**NO**



**Saved funds can be  
used for future  
medical expenses**



## What did you do with your HSA last year?



I spent all  
the money.



I spent some  
of the money.



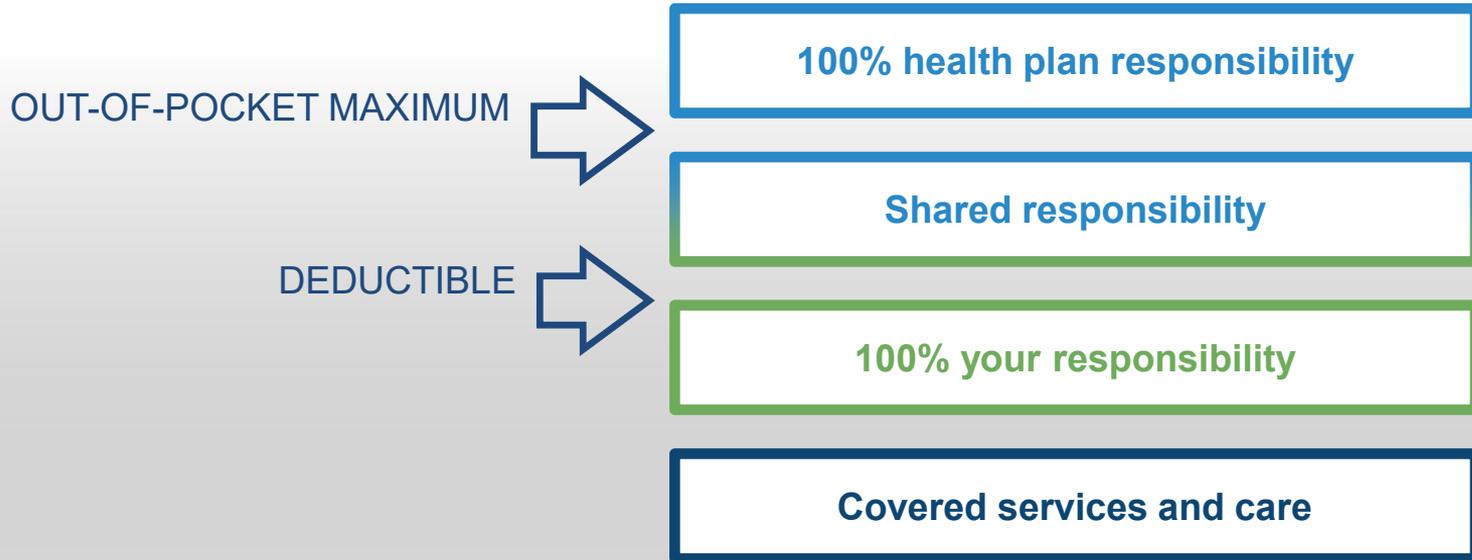
I didn't spend  
any of the money.



I didn't have an  
HSA last year.



# Your health plan: Deductibles and out-of-pocket maximum costs





## Withdrawing funds from your HSA



Debit  
card



Online  
billpay



Online track  
and pay tool



Reimbursement  
for cash spent



Question 3: Can you  
invest the money?





**Can you invest the money?**

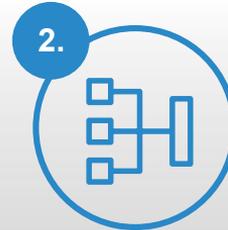
**YES**



# The money in your HSA can be invested in:



**HSA Funds to Consider**



**Securities (stocks,  
bonds, mutual funds,  
etc.)**



# Investing for now—and for later

**Contribute enough to cover  
current medical expenses**



**Consider investing  
the rest for the future**





## Investing for now—and for later



### Simone

**Age:** 30 | **Deductible:** \$1,500

**Balance:** \$4,000

**Anticipated out-of-pocket cost:** \$1,500

**Amount to invest:** \$2,500



### Amanda

**Age:** 45 | **Deductible:** \$3,200

**Balance:** \$10,000

**Anticipated out-of-pocket cost:** \$5,000

**Amount to invest:** \$5,000



### John

**Age:** 55 | **Deductible:** \$3,000

**Balance:** \$15,000

**Anticipated out-of-pocket cost:** \$2,000\*

**Amount to invest:** \$15,000

\*John will not use his HSA to cover out-of-pocket medical expenses this year

As with all your investments through Fidelity, you must make your own determination as to whether an investment in any particular security or securities is consistent with your investment objectives, risk tolerance, financial situation, and your evaluation of the security. Fidelity is not recommending or endorsing any investment by making it available to its customers.



# Summary

1.

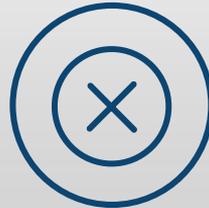
What are the tax advantages?



Triple tax benefits\*

2.

If you don't use it, will you lose it?



NO

3.

Can you invest the money?



YES



Next Steps

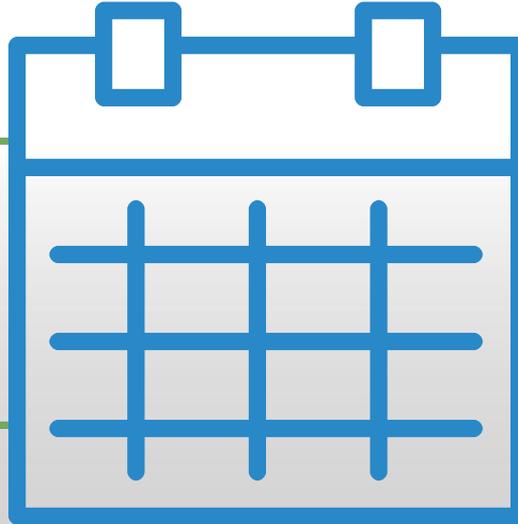




# Annual enrollment window

Enroll in your employer's HSA-eligible health plan

Set-up auto investing



Open your Fidelity HSA

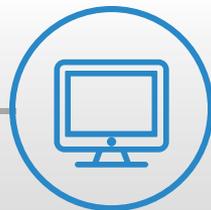
Visit [NetBenefits.com](https://www.netbenefits.com) to get started.



## Your next steps



View your HSA  
summary on NetBenefits®



Visit  
[Fidelity.com/guidance](https://www.fidelity.com/guidance)



Call  
800-544-3716

## **Investing involves risk, including risk of loss.**

The information provided herein is general in nature. It is not intended, nor should it be construed, as legal or tax advice. Because the administration of an HSA is a taxpayer responsibility, you are strongly encouraged to consult your tax advisor before opening an HSA. You are also encouraged to review information available from the Internal Revenue Service (IRS) for taxpayers, which can be found on the IRS website at [www.irs.gov](http://www.irs.gov). You can find IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*, and IRS Publication 502, *Medical and Dental Expenses*, online, or you can call the IRS to request a copy of each at 800.829.3676.“

1. Estimate based on a hypothetical couple retiring in 2019, 65-years-old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates with Mortality Improvements Scale MP-2016. Actual assets needed may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes: cost basis is assumed to equal market value. Estimate is calculated as the assets required today in a taxable account with an effective tax in retirement of 5%, an asset allocation of 30% equity, 50% bonds, and 20% cash, such that there is a 90% chance of being able to pay for healthcare expenses through life expectancy. The Fidelity Retiree Health Care Costs Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government's insurance program, Original Medicare. The calculation takes into account cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by Original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care. The retirement planning information contained herein is general in nature and should not be considered legal or tax advice. Fidelity does not provide legal or tax advice. This information is provided for general educational purposes only and you should bear in mind that laws of a particular state, changes in Social Security rules, and your particular situation may affect this information. You should consult your attorney or tax advisor regarding your specific legal or tax situation.

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