

Benefits of a Health Savings Account

Your Health Savings Account (HSA) can be used to help fund your retirement.

Are you eligible for an HSA?

- Must be covered by a High Deductible Health Plan.
- Not covered by another health plan.
- Not enrolled in Medicare.
- Not eligible to be claimed as a dependent.

Benefits of an HSA:

- Unlike a Traditional IRA, when you reach the age of 72, you do not have to start taking annual distributions. The money can continue to grow tax-free until you need it.
- You can save your medical receipts and claim them when you need the money – even years later. In the meantime, it continues to grow tax-free. If you do this, make sure you are a good record keeper.
- Once you turn 65 years old and enroll in Medicare, you cannot open an HSA or contribute any longer. However, you can continue to use the balance to pay your qualified medical expenses and Medicare premiums.
- Once you turn 65 years old, you can use the money in your HSA for any type of purchase – not necessarily medical purchases.*
- HSAs give you a triple advantage:
 - The money goes in tax-free.
 - The money grows tax-free.
 - The distributions are tax-free if they are qualified. For a list of qualified expenses, go to: www.irs.gov.
- Most people start by opening an HSA checking account. But once the balances start to grow, you can deposit the HSA funds in other HSA accounts that may earn more interest.
- Unlike Flexible Spending Accounts, you do not have to use all HSA funds in the account by the end of the year. Funds can roll over from year to year.