

# Invest in your future with an HSA



Do you know that once you have met your HSA (health savings account) investment threshold, you can invest part of your HSA in investment options like mutual funds?

That's right. Investing your HSA dollars has many potential tax benefits and can be an additional way to save for long-term health care needs and financial goals. Interest earnings and potential investment growth are also income tax-free, and withdrawals are allowed for qualified medical expenses. This makes HSAs an effective savings and investment account.

## Help your HSA balance grow

Let's say you contribute \$6,000 every year to your HSA. If you save it and don't touch it, in 20 years, it'll grow to \$120,000. But if you invest that \$6,000, and it gives you an extra 7% in earnings, it could grow to \$263,190<sup>1</sup> in 20 years. That's the potential for earning more than twice as much as you would if you didn't invest.

## Why invest?

Investment growth potential can boost your HSA balance. Investment earnings are federal income tax-free and, in most states, state tax-free.



**Did you know?**

**2 million**

Americans are investing their HSA funds

**\$19,224**

average HSA balance for these Americans

**7.3x**

larger balance for account holders who invest in their HSAs<sup>2</sup>

## Choose between 2 smart investment options

Once your HSA reaches a certain designated balance,<sup>3</sup> you may choose to invest a portion of your HSA dollars in one of 2 ways:

### Option 1

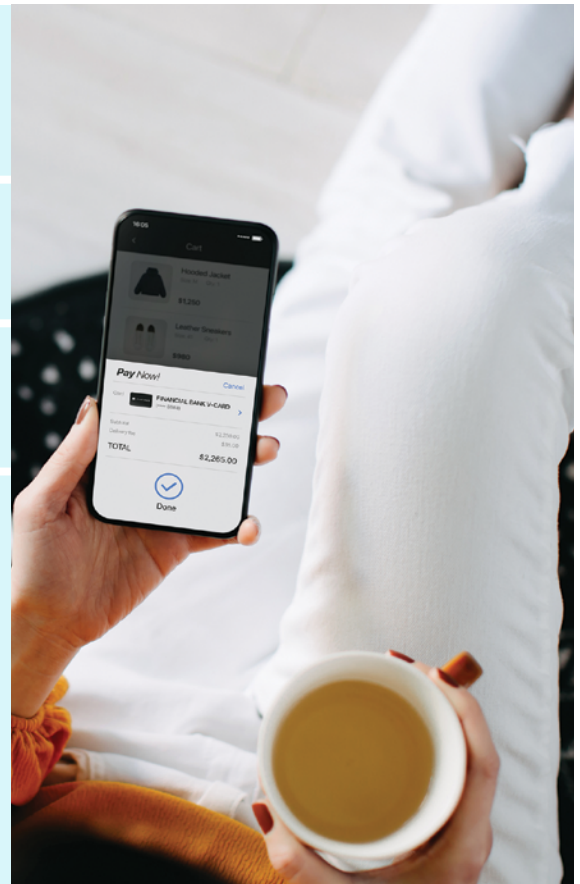
**Self-directed mutual funds:** You can choose from a wide variety of over 30 mutual funds, that average a 4-star Morningstar rating and represent some of the lowest expense ratios in the industry, including life-stage funds.

### Option 2

**Betterment digitally managed investments:** 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 investment on track through auto-deposits and automated rebalancing.

## Investing with self-directed mutual funds

- 1** Sign in to your HSA and set up your investment account by choosing the self-directed mutual funds option from the investment options page.
- 2** Choose the funds you want to invest in.
- 3** Indicate the amount you want to transfer into your investment account.
- 4** Want to make future investing easier? You can choose to set up recurring transfers to an investment account. Any funds over your threshold will automatically be transferred to your investment account. Manage your investments easily online.



## Investing with personalized, online advice through Betterment:

- 1** Sign in to your HSA and select Betterment from the investment options page.
- 2** Choose the initial amount you want to transfer to your Betterment account.
- 3** You'll be securely taken to Betterment to answer a few questions about your goals and risk-tolerance level to create a recommended portfolio that's customized for you.
- 4** Take full advantage of Betterment's technology by returning to your HSA and setting up auto-transfers. You choose a certain threshold amount, and any funds over your threshold will be automatically invested and managed by Betterment.

## Maximize your savings

Let's say you contribute \$3,000 a year to your HSA until retirement. Assuming you use \$1,500 a year for medical expenses, earn 7% a year in interest and investments, and reinvest all earnings, your savings can really add up. But, the earlier you start, the more potential you have. See how starting in your early years can really pay off.

| Starting age | HSA value at age 65* |
|--------------|----------------------|
| 25           | \$320,414            |
| 35           | \$151,610            |
| 45           | \$65,798             |
| 55           | \$22,175             |

\*Hypothetical example for illustrative purposes only. Amounts will vary depending on your unique circumstances.



### What if you have unexpected medical costs?

No problem. If you're investing in mutual funds, you can easily transfer your investment funds back into your HSA.

**OR**

If you're investing with Betterment, they will make it easy by automatically selling the right funds for you.



### Ready to begin investing?



Scan the QR code, or go to [optum.com/InvestmentOptions](https://optum.com/InvestmentOptions), to learn more.

1. Based on an account holder making no withdrawals and incurring no account fees. Your individual situation may vary—please consult your tax advisor. Consult a legal or tax professional for advice specific to your account.
2. Devenir Research 2021 Year-End HSA Market Statistics & Trends.
3. Investment threshold amounts may vary. Check with your employer or sign in to your account for more information.

**Investments are not FDIC insured, are 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.**



Health savings accounts (HSAs) are individual accounts largely held at Optum Bank®, Member FDIC, and administered by Optum Financial, Inc. or ConnectYourCare, LLC, an IRS-Designated Non-Bank Custodian of HSAs, a subsidiary of Optum Financial, Inc. Neither Optum Financial, Inc. nor ConnectYourCare, LLC is a bank or an FDIC insured institution. HSAs are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State and/or local taxes may still apply. Fees may reduce earnings on account. Refer to your HSA account agreement for details. This communication is not intended as legal or tax advice. Consult a legal or tax professional for advice on eligibility, tax treatment, and restrictions. Please contact your plan administrator with questions about enrollment or plan restrictions. Please contact your plan administrator with questions about enrollment or plan restrictions.