

Larry optimizes his HSA



Larry and his wife, who are in their early 40s, want to make the most of their investment options. In addition to saving in their 401(k), they've been saving in their health savings account (HSA) and investing that money in mutual funds.

Larry invests through his HSA

Each year, Larry contributes the maximum amount allowed. For 2016, you can contribute up to the IRS limits of \$3,350 for individual coverage or \$6,750 for family coverage. For 2017, the IRS limits increase to \$3,400 for individual coverage and remain at \$6,750 for family coverage. He knows that the money he contributes to his HSA won't be taxed as it grows, and if he withdraws it for qualified medical expenses it won't be taxed then, either. Once he's 65, he'll be able to withdraw money at any time, for any reason, without being subject to the 20 percent tax penalty.

Because he hasn't had any major health incidents, Larry has been able to pay for health costs without using his HSA money. Instead, he's left it there to build up, and he has also invested in mutual funds.

Larry makes optimizing his account easy

With the wide range of tools and resources available at optumbank.com, Larry can get answers to his questions, find out how much he should be saving and more.



Receipt Vault

Stores and easily manages images of your qualified medical expense receipts from your smartphone, tablet or desktop.



Health Savings Checkup

Creates an action plan to help you save for health care costs in retirement.



Asset Allocation Calculator

Helps create a strategy to choose mutual funds when you are ready to invest your HSA.



HSA Investing Made Easy Webinar

Explains how you can invest your HSA dollars into mutual funds.

Visit optumbank.com to learn more about paying for qualified health care with an HSA.

The 5 Stages of Health Saving and Spending*

DECIDE » OPEN » USE » MANAGE » OPTIMIZE

While Larry's story may best represent the Optimize stage, many of his experiences may apply to the other four Stages of Health Saving and Spending as well.

The 5 Stages of Health Saving and Spending

Good health is a journey. So is saving the money needed to pay for qualified medical expenses. We've identified stages account holders go through when owning a health savings account: Decide, Open, Use, Manage, Optimize.

Because he is optimizing his HSA, Larry falls into stage five of *The 5 Stages of Health Saving and Spending*: Optimize. That means he's proactively investing in mutual funds to plan for the future.

How can you make the most of your HSA?

1. Visit healthsavingscheckup.com to find out how much you might need to save for health expenses during retirement.
2. Once your account has reached a threshold (typically \$2,000), you could invest in mutual funds. Visit optumbank.com to research mutual funds and use the Asset Allocation Calculator.
3. If you're 65 or older, consider using your HSA money to pay for Medicare Part A (hospital and inpatient care), Part B (doctor and outpatient care) and Part D (prescription drugs).

To learn more about the 5 stages, visit optumbank.com/optumHSAstages.

Investments are not FDIC insured, are not guaranteed by Optum Bank®, and may lose value.

* Stages based on Optum Bank's proprietary *The 5 Stages of Health Saving and Spending*.

1. Employee Benefit Research Institute. "Amount of Savings Needed for Health Expenses for People Eligible for Medicare: Good News Not So Rare Anymore," and "IRA Asset Allocation, 2012, and Longitudinal Results, 2010-2012." Vol. 35, No. 10. October 2014. Available at: http://www.ebri.org/pdf/notespdf/EBRI_Notes_10_Oct-14_Svgs-IRAs.pdf.

Hypothetical example is for illustrative purposes only. All events, persons and results described herein are entirely fictitious and amounts will vary depending on your unique circumstances.

Health savings accounts (HSAs) are individual accounts offered or administered by Optum Bank®, Member FDIC, and are subject to eligibility and restrictions, including but not limited to restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code. State taxes may apply. Fees may reduce earnings on account. This communication is not intended as legal or tax advice. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment and restrictions. Federal and state laws and regulations are subject to change.



How much will you need for health care costs during retirement?

According to the Employee Benefit Research Institute, if you want a 90 percent chance of having enough money saved to cover your health care expenses during retirement, you'll need \$116,000 if you're a man or \$131,000 if you're a woman.¹

55+

55 or Older?

Account holders who are 55+ can make "catch-up" contributions of an additional \$1,000 per year.



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