

Maximize Retirement with an HSA



Pro Tip

With an HSA dedicated to health-related expenses, you can use your 401(k) for living and leisure expenses during retirement.

Start Saving Now

Planning for retirement is no easy task. A Fidelity study predicts that a **married couple retiring in 2021** can expect to spend a combined **\$300,000 on healthcare alone** during retirement¹. And other expenses for living, social activities, and travel can add up.

Fortunately, there's one savings account you may be overlooking that can help you plan for retirement. A Health Savings Account (HSA) is a tax-advantaged account for those with a High-Deductible Health Plan (HDHP) to cover out-of-pocket medical expenses.

Four Ways An HSA Helps You Address Healthcare Concerns In Retirement

- HSAs allow you to save money through tax-advantaged contributions and tax-free withdrawals².
- Turning to an HSA to cover your healthcare retirement costs will allow you to focus your retirement savings accounts on other expenses.
- You can invest your HSA funds to maximize the account growth potential³.
- You can contribute an additional \$1,000 each year beginning the year you turn 55⁴.

An HSA's Tax Advantages

- Employee contributions are tax-advantaged (contribute pre-tax through payroll or deduct at tax time) and employer contributions are tax-free.
- Interest and earnings on the funds in your HSA grow tax-free.
- Your withdrawals are tax- and penalty-free as long as you use the funds for qualified medical, vision, or dental expenses².

Set and achieve your financial goals

We're living longer than ever before—It's important to build your savings while you're still in the workforce. Savings goal calculators and easy-to-use tools can guide your goal-setting and decision-making.

Additional HSA Perks

- HSAs can provide funds for immediate needs. Many health and personal care items—such as personal protective equipment (PPE), contact solution, bandages, and sunscreen—are covered by HSAs⁵.
- HSAs are portable. You can take yours with you from job to job and into retirement.
- HSA expenses do not need to be submitted in the year in which they are incurred. Our receipt organizer makes it easy to store your unreimbursed qualified healthcare receipts which you can use at any time to validate future withdrawals from your HSA.

1. Fidelity Investments Retiree Health Care Cost Estimate

2. HSA funds used for non-qualified medical expenses are taxed and subject to a 20% penalty if the HSA holder is less than 65 years of age. Beginning at age 65, HSA funds for non-qualified medical expenses are taxed, but do not incur any penalty.

3. All investments involve risk, including the possible loss of principal. Past performance is no guarantee of future results.

4. Contribution limits are subject to change and should be checked on an annual basis on the IRS website.

5. See IRS publication 502 available at <http://www.irs.gov/pub/irs-pdf/p502.pdf> for a list of qualified expenses. In addition, there may be legislation or additional publications that may modify or expand available qualified expenses. Employees should refer to their employer's plan document(s) for the latest list of qualified expenses under their plan..

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