Saving with an HSA

The power of savings

The average American will spend over $400,000 in healthcare expenses in their lifetime. Making regular contributions to your health savings account (HSA) is a great way to build a safety net. Use this HSA Goal Calculator to determine how much you should contribute to your HSA each year.

When you contribute more to your HSA than you spend, you really start to see the advantage of having an HSA.

The funds roll over from year-to-year (no use-it or lose-it), allowing you to build a nest egg for future healthcare expenses.

You can invest HSA funds into a variety of mutual funds, which can help grow your HSA funds faster.

After you've reached age 65, you can use HSA funds on other expenses too. Not just on medical expenses.

Are you saving enough?

Reviewing your contributions and savings are important to your HSA growth. Compare the following savings scenarios to see how contributing more today can build your HSA balance.

Savings Scenario A

Annual HSA Contribution..... $ 2,500

HSA balance after 5 yrs .....$ 14,505

HSA balance after 15 yrs .....$ 56,644

HSA balance after 30 yrs .....$ 174,402

Savings Scenario B

Annual HSA Contribution.....$ 4,000

HSA balance after 5 yrs .....$ 23,208

HSA balance after 15 yrs .....$ 90,630

HSA balance after 30 yrs .....$ 279,045

Savings Scenario C

Annual HSA Contribution..... $7,100

HSA balance after 5 yrs .....$ 41,194

HSA balance after 15 yrs .....$ 160,868

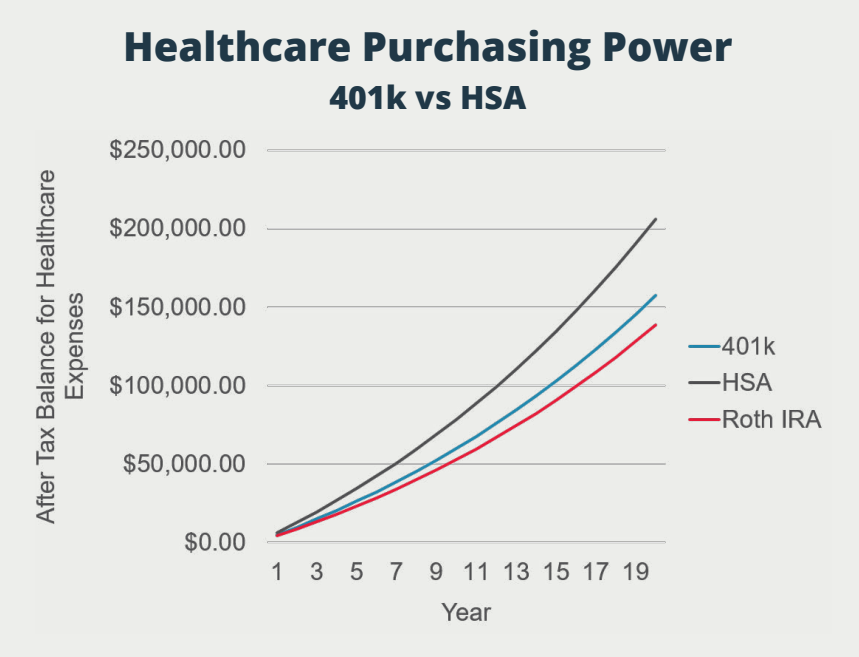
HSA balance after 30 yrs .....$ 495,298

**Annual ROI of 5%, Estimated with same annual contribution each year, No distributions*

HSA + 401(k)

Your HSA is the perfect companion to a 401k. To get the most out of them, contribute at least up to your employer's match in your 401(k) and maximize your annual HSA contributions.

As you can see below, an HSA compares favorably with a 401(k) and Roth IRA when it comes to preparing for future healthcare costs.



31% increase in healthcare purchasing power

Assumes:

- $4,000 contribution each year
- ROI of 5%
- 7.65% FICA tax savings on HSA contributions
- 25% combined federal and state tax rate
- 15% tax rate at time of distribution

But wait, there's more!

The more you contribute to your HSA, the more you save on taxes. And, at age 55, you can contribute an additional $1,000 over the IRS annual contribution limit.

Start getting the most out of your HSA. Contribute more today!