



HSA's and HSA-Compatible Health Plans May Be a Great Fit For:

- Those who have maxed out contributions to their retirement accounts
- Those who want an additional tax-savings strategy
- Those who want to pay for their out of pocket medical expenses pre-tax

Facts about HSA's and HSA-Compatible Health Plans:

- To open an HSA you must have an HSA-Compatible health plan
- HSA funds roll over year-to-year (there is no "use it or lose it" provision)
- HSA's are individually owned accounts (just like an IRA)
- HSA-compatible plans are available both to groups and individuals
- HSA funds can be used tax-free for any covered medical expense (See IRS Pub 502)
- HSA's allow for funds to be held in numerous investments (just like an IRA) including:

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|--------------------------|----------------|
| Bank Accounts | • Annuities |
| Certificates of Deposits | • Stocks |
| Bonds | • Mutual Funds |

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 authorized the establishment of Health Savings Accounts effective January 1, 2004.

You can now contribute up to \$2,850 as an individual or \$5,650 as a family per year (even more you are over age 55) pre-tax to an interest bearing savings or investment account that rolls over year to year which can be liquidated tax-deferred at age 65. This is in addition to your 401(k), IRA, Roth IRA and any other tax-advantaged retirement savings vehicles and does not effect the contributions you are allowed to make to those accounts.

You can do this while saving up to 40% on your medical insurance premiums.

All the major medical carriers offer HSA-Compatible plans. A licensed health insurance agent can help you sort through the myriad options and come up with a tax-saving strategy and comprehensive health plan that works for you.