The WEX HSA

A smarter way to invest in your health and your future



wex®

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Invest in your health and build your wealth

The average American will spend over $400,000 in healthcare expenses in their lifetime, with the majority of those expenses occurring in retirement. Making regular contributions to your health savings account (HSA) is a great way to build a safety net and be prepared for your future. Use this **HSA Goal Calculator** to determine how much you should contribute to your HSA each year and see the long-term implications of your decisions.

When you contribute more to your HSA than you spend, you'll see that your HSA works for you beyond the doctor's office.

HSAs are a **dynamic and flexible** product that makes healthcare more affordable. They allow you to benefit from them **regardless of your financial situation.** Take advantage of them, whether that be through spending, saving and/or investing.

The funds are **yours to keep** and roll over from year to year (no use-it or lose-it). This means the account is yours regardless of your employment status, plus allows you to **build a nest egg** for future healthcare expenses.

Needing to cover existing or past expenses? Your funds are accessible to use for healthcare expenses at any time and **available to use from the time of your eligibility.**

Investing HSA assets is a valuable way to **grow your savings** now or for your future to cover healthcare expenses.

After you've reached age 65, you can also use HSA funds for **nonmedical-related expenses.**



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Are you saving enough?

Reviewing your contributions and savings is important to your HSA growth. Compare the savings scenarios to see how contributing more today builds 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

The above scenarios assume an annual ROI of 5%, estimated with the same annual contribution each year, no distributions.

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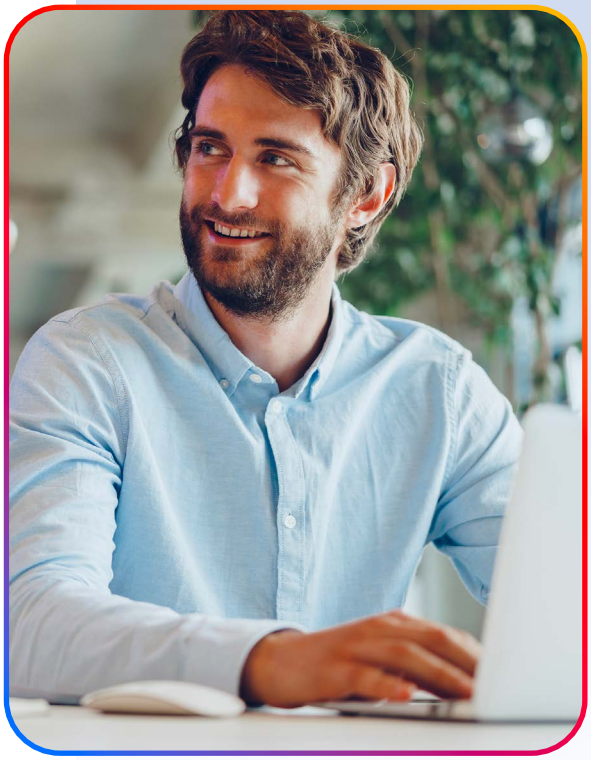
Stop waiting to secure your future, start building stability with your HSA



An HSA offers more benefits than any other retirement plan currently available. Take advantage of the trifecta of tax benefits and save on both healthcare and taxes. Enrolling in a high-deductible health plan paired with an HSA allows you access to these unique tax savings.

What does triple tax savings mean?

Tax-free contributions

Don't pay more in taxes than you need to. Instead, put that money to use for healthcare or retirement. Contributions into your HSA have the ability to go into your account 'pre-tax', meaning the amount given to your HSA is deducted from your taxable income. For example, if you contributed $3,000 to your HSA, you have just reduced your taxable income by $3,000.

Tax-free growth

Keep funds in your HSA so they can increase through investment opportunities. All of the growth that happens is protected from taxes and is yours to keep, including interest, dividends, or capital gains. The results? Your HSA has the opportunity to grow quicker than regular savings accounts.

Withdrawal tax-free for qualified expenses

Immunize your money from taxes. When you use your contributions to pay for eligible medical expenses, the money withdrawn comes out completely tax-free. It's like getting a discount every time you go to the doctor or buy medication.

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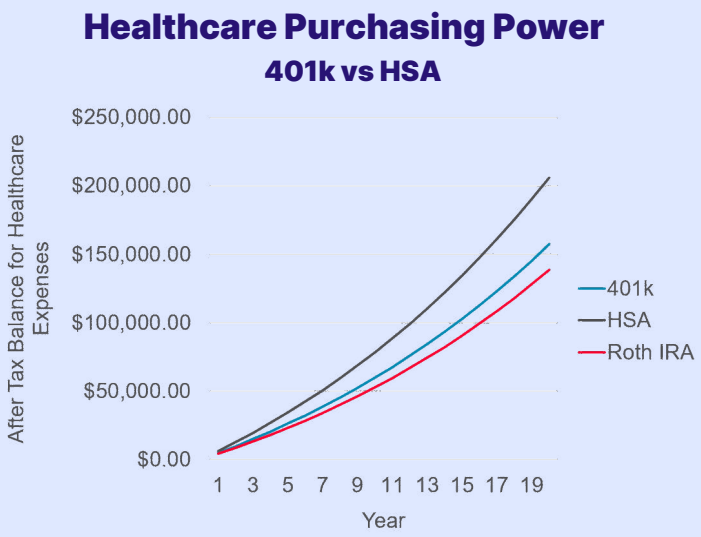
401(k) or HSA?

An HSA functions similarly to a 401(k) or an IRA except it has better benefits. Contributions to an HSA may be made by both the employer and employee, tax-free, and can be used anytime to pay for medical expenses or saved for future expenses (after the age of 65). The ability to save is an extremely powerful way to grow balances because your funds can be invested much like a 401(k).

Your HSA is the perfect companion to your 401(k). 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. The **Healthcare Purchasing Power** graph show that an HSA drastically outweighs a 401(k) and Roth IRA when it comes to preparing for future healthcare costs: Tax-free spending on pre and post-retirement healthcare expenses, the freedom of non-medical spending post-retirement (like other retirement plans), and no mandatory withdrawals.



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



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