



MAKE THE MOST OF YOUR RETIREMENT

with your HSA

Cigna Choice Fund® Health Savings Accounts (HSAs) have tax and other advantages to help you pay for your health care costs and save for retirement.

HSA funds grow and roll over, year after year

Balances in the HSA grow tax free¹ and never expire. You own the account. Even if you leave your medical plan, change jobs or retire, your HSA is yours to keep.

Help offset certain health care expenses, now and in the future

At any point, you can use your HSA funds tax-free for IRS approved medical, prescription drug, vision and dental expenses – including long-term care premiums. The premiums for long-term care insurance that you can treat as qualified medical expenses are subject to limits based on age and are adjusted annually.² Once you retire, you can use the HSA funds in your account to pay for Medicare Part A, B and D premiums, as well as to offset any out-of-pocket expenses not covered by Medicare or other insurance.

Added income during retirement

HSA funds used as added retirement income are subject to income tax without penalty once you reach age 65,³ similar to most IRAs and 401(k)s.

More chances to save with an HSA

In some cases, HSAs provide a higher annual contribution limit than IRAs. HSA account holders age 55 and older are able to make an added catch-up contribution up to \$1,000 in the calendar year.

Your family's potential savings with an HSA

We can help you make informed decisions about your HSA. Our **HSA Savings Calculator** can help you decide the right contribution level, find tax savings opportunities and view future value charts to meet your needs.⁴

It's estimated that a 65-year-old couple retiring this year will need an average of \$280,000 (in today's dollars) to cover medical expenses throughout retirement⁵ including insurance premiums, expenses not covered by Medicare and home health care – excluding nursing home care. At a combined federal and state tax rate, a couple could save up to \$56,000 in taxes on a total expense of \$200,000.⁶

1. HSA contributions and earnings are not subject to federal taxes and not subject to state taxes in most states. A few states do not allow pretax treatment of contributions or earnings. See your tax advisor for additional information.

2. IRS Publication 969.

3. 20% penalty applies to withdrawals for expenses not approved by the IRS prior to age 65.

4. Financial calculators/calculations are provided for illustrative purposes only. You are responsible for verifying the accuracy and suitability of all assumptions and calculations. Please seek the advice of licensed and/or competent individuals before making any investment or financial planning decisions.

5. Fidelity, "A Couple Retiring in 2018 Would Need an Estimated \$280,000 to Cover Health Care Costs in Retirement, Fidelity® Analysis Shows", 04/19/2018. Web.

6. Based upon a yearly contribution of \$6,450 and HSA growth over 20 years. For illustrative purposes only. Individual results will vary.

Together, all the way.®



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