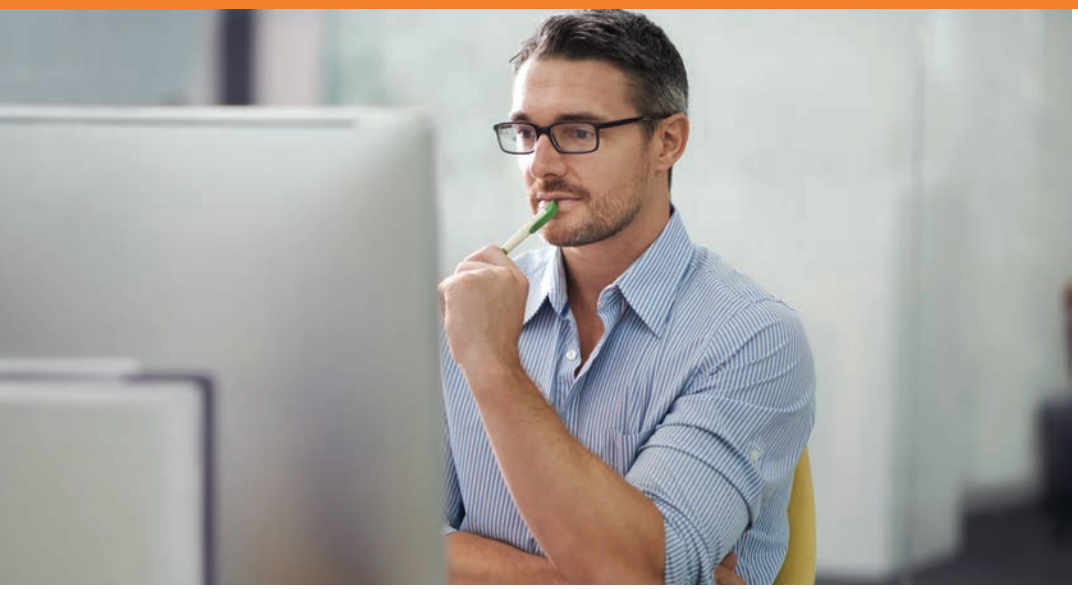
OPTUM Bank®
Member FDIC

Planning for retirement with an HSA



Health care expenses are one of the top financial worries in retirement — especially for people with health conditions. As you're planning for the future, think about how your Optum Bank® health savings account (HSA) can help ease your mind and prepare you for retirement by saving money tax-free.

Wondering how much you might need to save?

Good question. Here are the current health savings recommendations for retirement:[1]

$405K
for a 65-year-old couple RETIRING TODAY

$500K
for a 55-year-old couple RETIRING IN 10 YEARS

$635K
for a 45-year-old couple RETIRING 20 YEARS FROM NOW

Looking for a personalized estimate? Take the Optum Health Savings Checkup at **healthsavingscheckup.com**. Answer a few questions about your health, your HSA activity and retirement goals, and you will receive a personalized snapshot of your potential health care expenses in retirement. You'll also get ideas to help you stay healthy, spend less and save more.

Investing with an HSA

Once your HSA reaches the investment threshold, you may choose to invest a portion of your HSA dollars in mutual funds. Any investment earnings such as interest or dividends are income tax free. This gives you the potential to grow your HSA retirement savings even more.

Catch-up contributions

Once you turn 55, you can contribute an additional $1,000 each year to your HSA, called a catch-up contribution. If you and your spouse are both over the age of 55, you can each contribute an additional $1,000. Your spouse will just need to open their own HSA for their additional portion.

HSAs and Medicare

The benefits of an HSA don't stop when you retire. While you are no longer allowed to contribute to your HSA after enrolling in Medicare, you can still use your HSA funds income tax free to pay for qualified medical expenses. You can also use your HSA to pay for Medicare premiums and qualified out-of-pocket expenses including deductibles, copays and coinsurance for:

- Part A (hospital and inpatient care)
- Part B (doctor and outpatient care)
- Part D (prescription drugs)

Keep in mind that Medicare does not cover hearing aids or vision, dental or nursing home care.

Withdrawing funds during retirement

You can use the money in your HSA to pay for qualified medical expenses at any time. Once you turn 65, however, you can withdraw the money from your HSA for nonqualified expenses without a penalty. You will just be required to pay ordinary income tax on that amount.

Have questions?

Visit **optumbank.com**

Hank saves for retirement with his HSA.

Hank is 60 and preparing for retirement. For the past five years, he has been contributing the maximum amount allowed by the IRS. See how fast his account balance has grown — and how much he's saved on taxes.[2]

TOTAL CONTRIBUTIONS

$38,600

over the past 5 years

SAVED OVER

$14,530

on taxes in the past 5 years

Investments are not FDIC insured, are not guaranteed by Optum Bank®, and may lose value.

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1. HealthView Services: 2017 Retirement Health Care Costs Data Report

2. Contributions are based on IRS contribution limits for family coverage from 2014-2018 and include catch-up contributions. Tax savings assumes a 25% federal tax rate, 5% state tax rate and 7.65% FICA.

Health savings accounts (HSAs) are individual accounts offered or administered by Optum Bank®, Member FDIC, and are subject to eligibility requirements and restrictions on deposits and withdrawals to avoid IRS penalties. State taxes may apply. Fees may reduce earnings on account. This communication is not intended as legal or tax advice. Federal and state laws and regulations are subject to change.

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