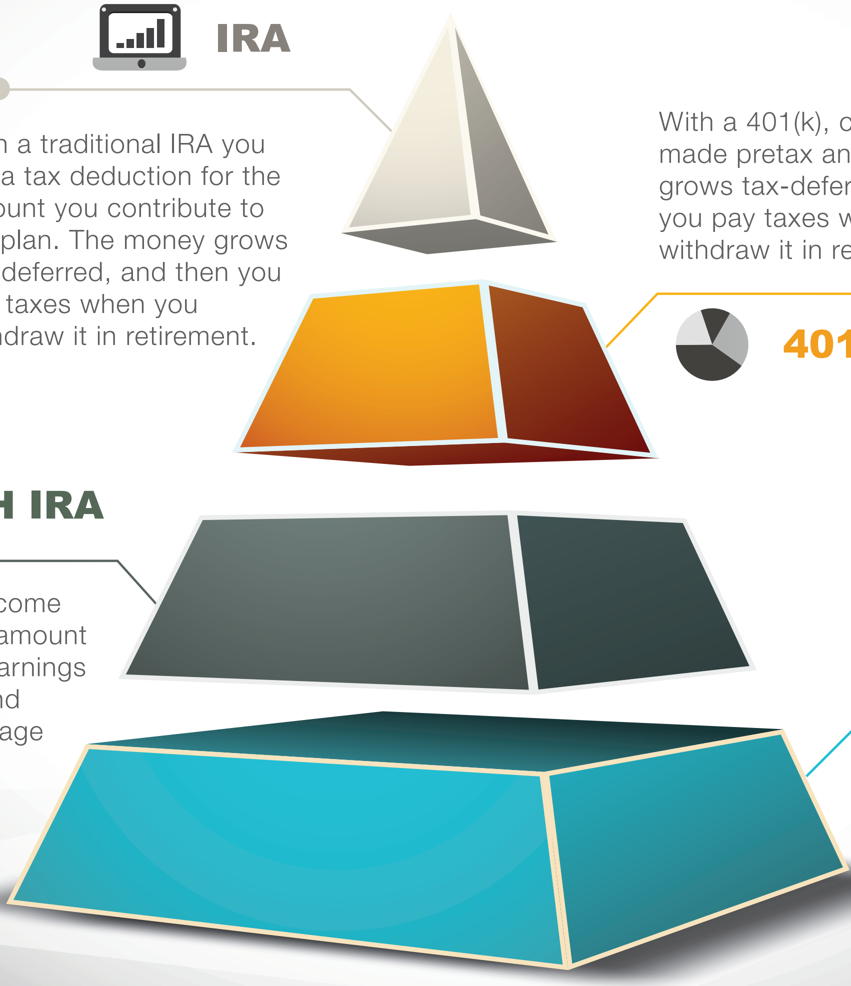
True Consumer Driven Healthcare

RETIREMENT SAVINGS by *BASIC*

THE TRIPLE TAX-ADVANTAGED HEALTH SAVINGS ACCOUNT



IRA

With a traditional IRA you get a tax deduction for the amount you contribute to the plan. The money grows tax-deferred, and then you pay taxes when you withdraw it in retirement.

401K

With a 401(k), contributions are made pretax and the money grows tax-deferred, and then you pay taxes when you withdraw it in retirement.

ROTH IRA

Invest after-tax income up to a specified amount each year. Both earnings on the account and withdrawals after age 59½ are tax-free.

HSA

Contributions to HSAs are made with pretax dollars, assets grow tax-free, and distributions are tax-free if used to pay for qualified medical expenses. After age 65, penalties no longer apply for non-qualified medical expense withdrawals. They're simply taxed at your regular income tax rate."(similar to IRA).

Strategic Savings

If you use your HSA funds only for qualified medical expenses, you can net a triple tax break: You get the pre-tax benefits of an IRA; the tax-free withdrawal benefits of a Roth; and the tax-free growth benefits of both.

BASIC®
HR Solutions Come Full Circle

The Upside

Unlike Flexible Spending Accounts (FSAs), you can roll over HSA funds from year to year. There's no "use it or lose it" clause.

You're not limited to keeping your HSA in cash; there are often investment options after a monetary threshold .

While your 401k is tied to your employer, your HSA is not.

Just because you change insurance plans doesn't mean you need to close your HSA. An HSA can be used to reimburse eligible medical expenses, even if they are incurred under a health insurance plan that wouldn't qualify for an HSA.

An HSA makes for a good emergency fund. Pay for medical expenses from taxable accounts, but save the receipts. Funds in the HSA continue to grow tax-free. When an emergency arises, you can seek reimbursement for past medical expenses sufficient to cover the emergency.

As long as the HSA was established before you incurred the medical expense, an HSA can be used to reimburse that expense years later.

Know the Rules

Like all tax-advantaged accounts, HSAs have restrictions. Below are 2017 rates.

High Deductible Health Plan (HDHP) required deductibles for an HSA are:

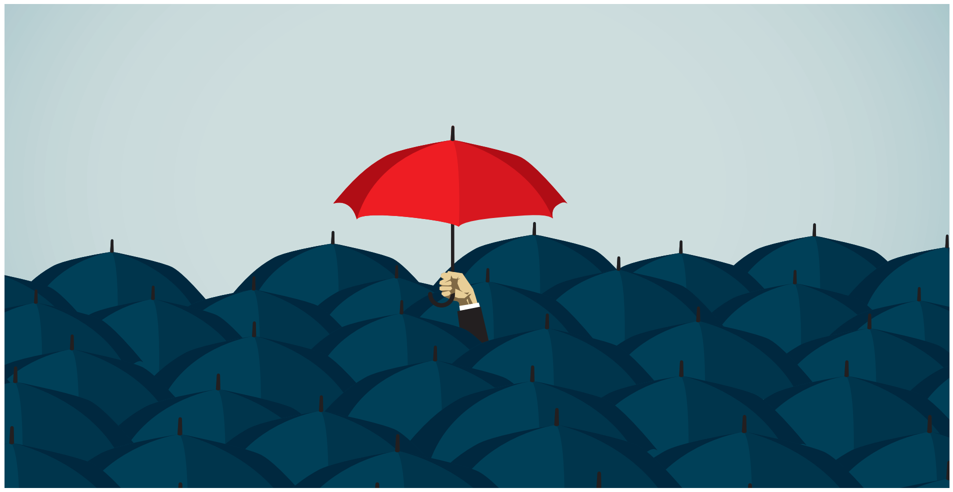
- $1,300 for individuals
- $2,600 for family coverage

Annual HSA contribution limits are:

- $3,400 for individuals
- $6,750 for family coverage

Annual out-of-pocket expenses are:

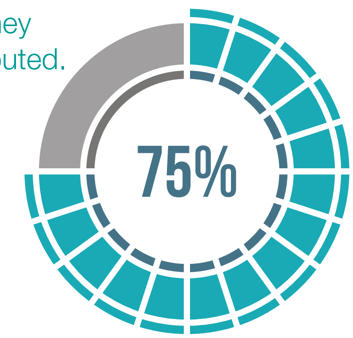
- $6,550 for individuals
- $13,100 for family coverage



HSA Similarities to IRA

- Deductible contributions if you are eligible.
- Money grows tax-deferred.
- Penalty tax can apply to withdrawals that don't follow the rules.

More than three-quarters of HSA account holders withdrew less than they contributed.



HSA Differences to IRA

- Money can be used at any age for qualified medical expenses and is tax-free when used for this reason.
- For withdrawals that are not used for medical reasons, a 20% penalty tax applies up to age 65; With an IRA, it is a 10% penalty tax and it disappears at age 59 ½.
- Must have a qualified high deductible health plan to be eligible to contribute to an HSA.
- Contribution limits are lower than for an IRA.
- HSAs have no required minimum distributions while IRAs do.