

City of Omaha

Boost your Retirement  
Savings with an HSA

August 7, 2023



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# Let's explore

Retirement  
reality



Do the  
math



7 steps to  
take



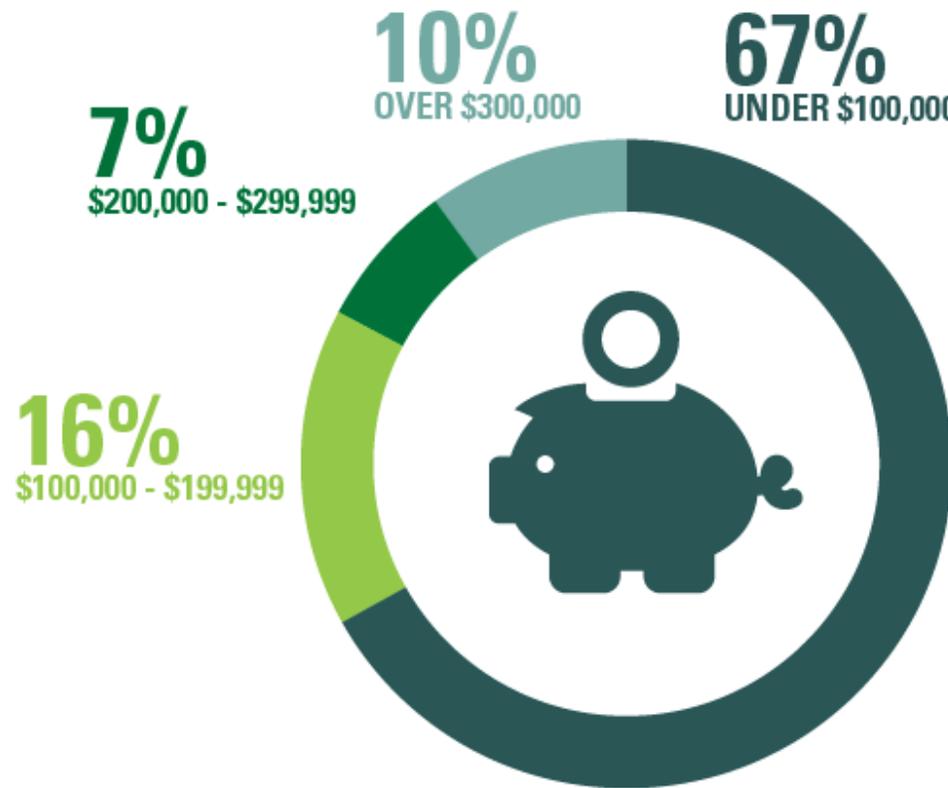
Destination:  
Retirement



## Retirement reality

# Underestimated and over budget

Amount people believe they'll need for healthcare expenses



Results from a proprietary third-party Omnibus Study conducted by HSA Bank, September 25-29, 2017, surveying 1,200 individuals across the U.S.

# The retirement savings gap

Most people believe they'll work far longer than they're able to.



It's estimated that a 65-year-old couple retiring today will spend hundreds of thousands on healthcare costs in retirement.



Using a 401(k) for healthcare costs in retirement increases the tax burden.

# Retirees today

37%

*of people over 65 report they rarely save money for future healthcare expenses.\**

83%

*of people over 65 report worrying about current or future medical bills.\**

76%

*of baby boomers not enrolled in a health plan cite costs as their primary reason.\**



Do the math

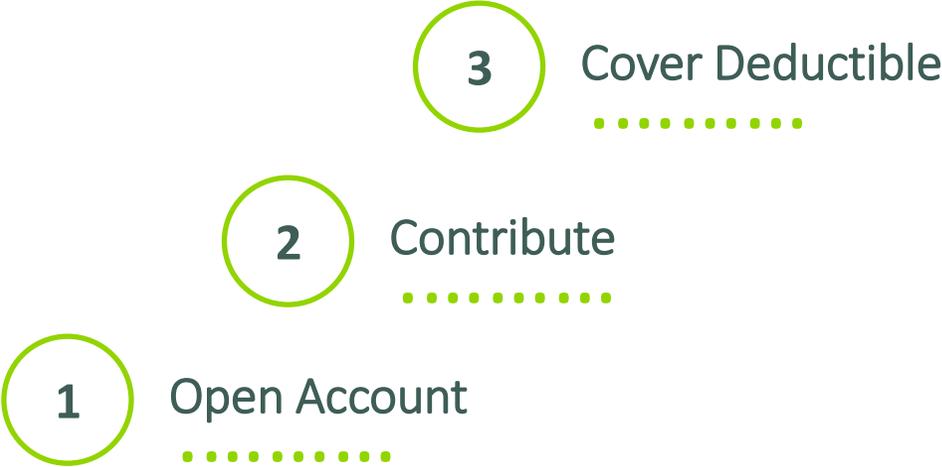
# Steps to getting there

- 1 Open Account  
.....

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- 2 Contribute .....

# Steps to getting there



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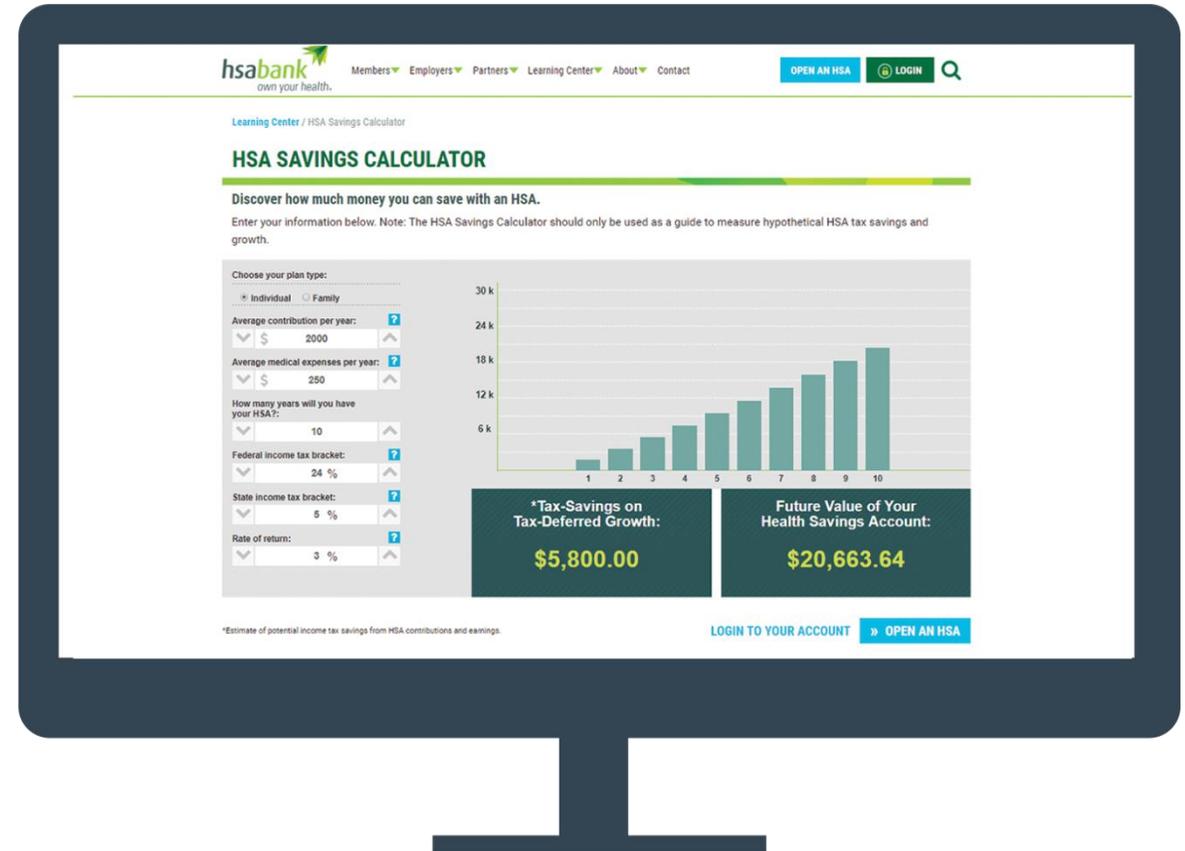


# Steps to getting there



Get help  
calculating your  
savings

[hsabank.com/calculators](https://hsabank.com/calculators)





7 steps  
to take

# Step 1: Review your expected healthcare expenses in retirement

Medicare HMO premiums

.....

Medicare parts B and D premiums

.....

Copays

.....

Drug prescriptions

Eyeglasses

.....

Hearing aids

.....

Dental work

.....

## Step 2: Consider catch-up contributions

View the annual contribution limits at [hsabank.com/irs-guidelines](https://hsabank.com/irs-guidelines).

“If you’re 55 or older, you may be eligible to make a catch-up contribution of an extra

**\$1,000**  
per year.”

# Step 3: Invest

**Three tax perks:**

No federal taxes on contributions, withdrawals for qualified medical expenses, or investment earnings



**Build long-term retirement savings** — especially with our self-directed investment options

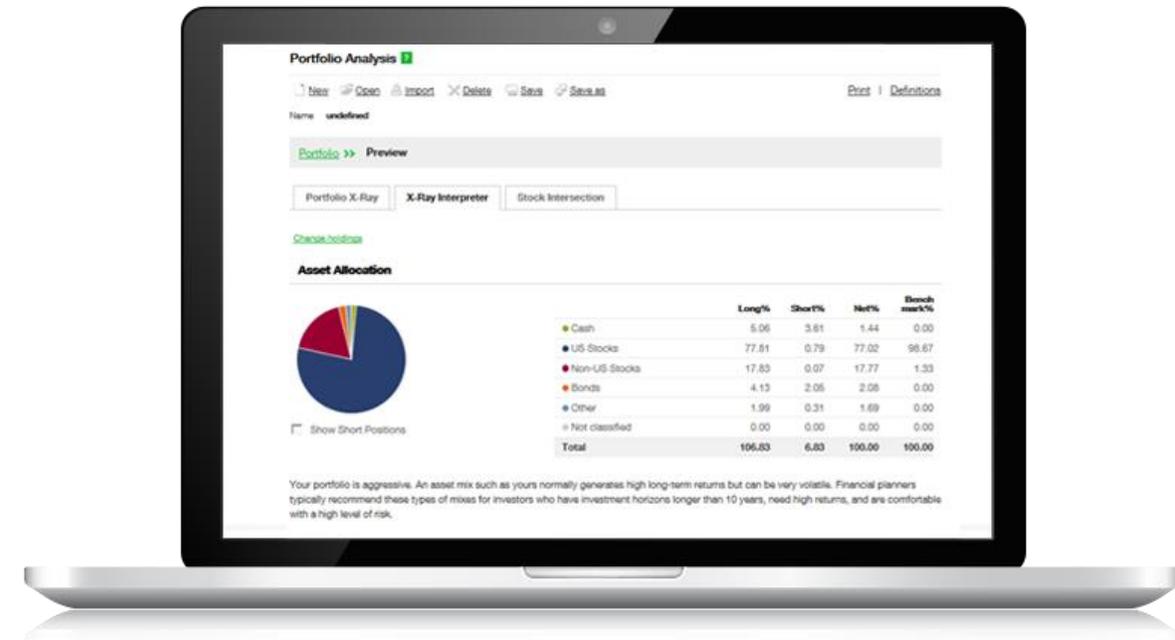
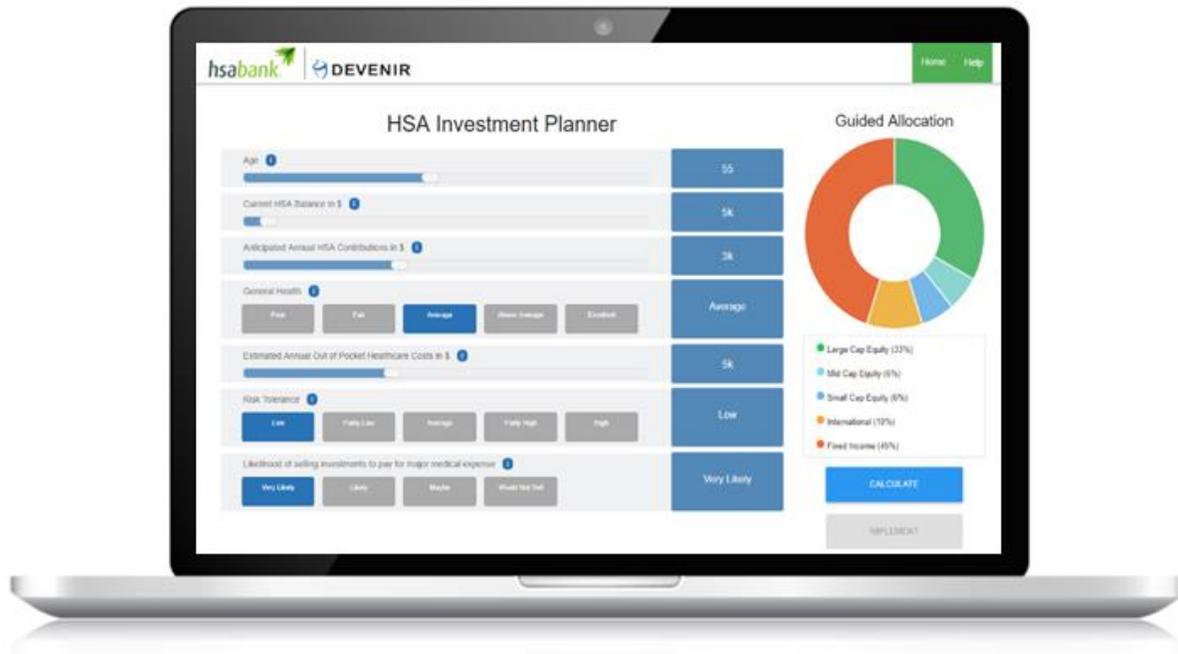


**It's your money — for life**  
Investment balances carry over from year to year and grow tax free (just like the HSA cash account).

**SECURITIES AND INVESTMENTS**

Not Insured by FDIC or Any Other Government Agency	Not Bank Guaranteed	Not Bank Deposits or Obligations	May Lose Value
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# Step 4: Select your investment option



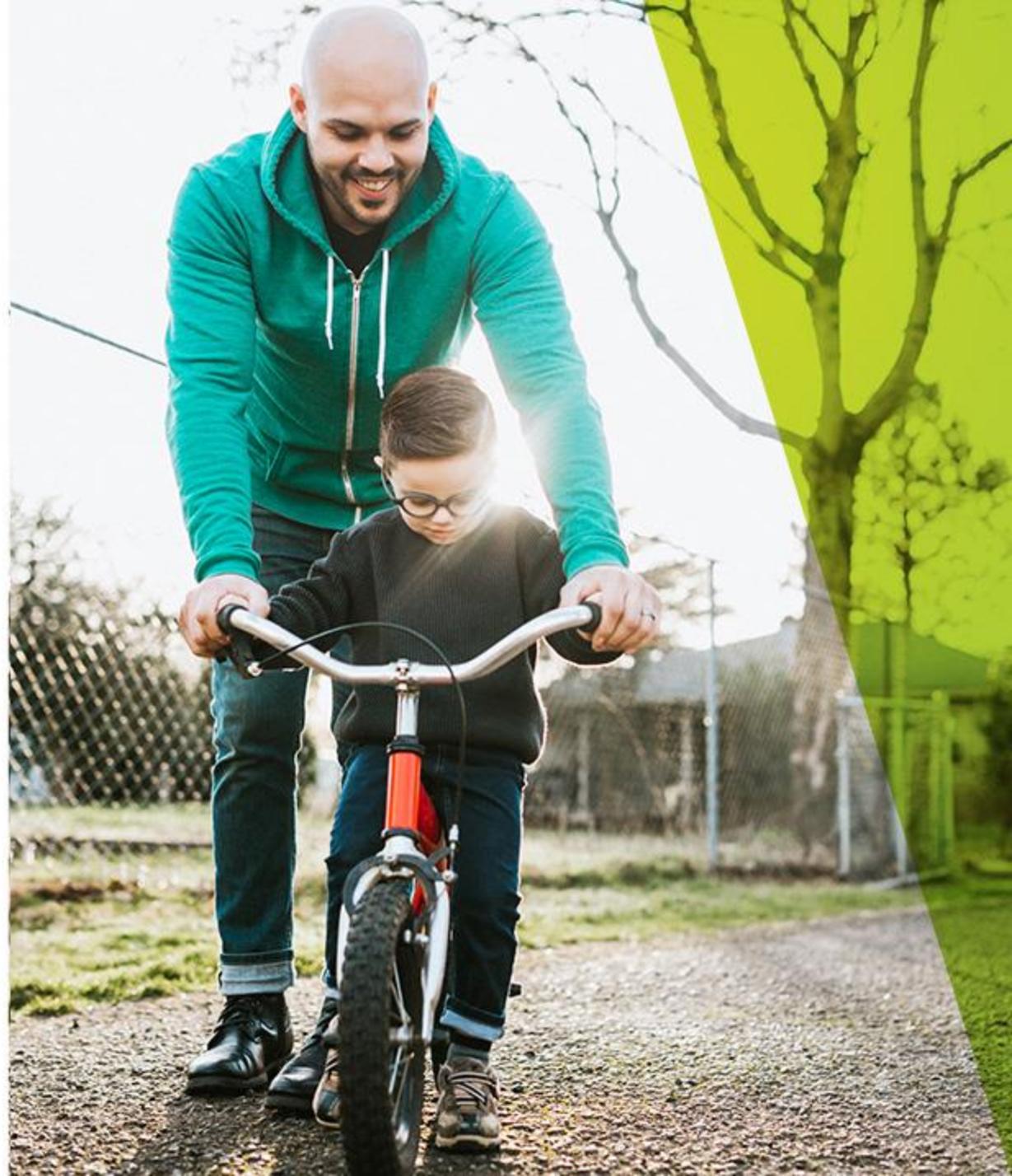
You may be required to keep a minimum balance in your HSA cash account to invest funds.

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Step 5:  
Talk with your tax  
or financial advisor



Step 6:  
Designate your  
beneficiary



Step 7:  
Keep saving  
receipts



# Setting up your investment account



# How do I open an investment account?

Keep the minimum balance in your HSA needed to invest (if applicable).

1

2

3

4

Go to the Member Website home page.

From the left menu, click "Manage Investments".

Decide to enroll in Devenir or TD Ameritrade.

# How do I open an investment account?

Click the “Enroll Now” button for the program you selected.

Devenir Investment Program:

Transfer funds from your cash account to your investment account after you receive welcome email

TD Ameritrade:

Members can transfer funds immediately to their TDA brokerage account upon enrollment completion.

5

6

7

8

Follow the prompts to complete the enrollment process. You will receive an email in 1-2 business days if enrolling in the Devenir program. Watch for a welcome kit in mail if enrolling in TD Ameritrade.

Select investments in Devenir or TD Ameritrade.

*Please note: When enrolling in either of the investment programs (TD Ameritrade or Devenir), you must agree to the associated investment account terms & conditions.*



# Devenir Guided Portfolio Self-Directed Investment Program

Competitive fund lineup of low-cost,  
no-load mutual funds



No minimum investment to purchase  
mutual funds



Free to transfer between investment  
account and cash account



Access to informational materials



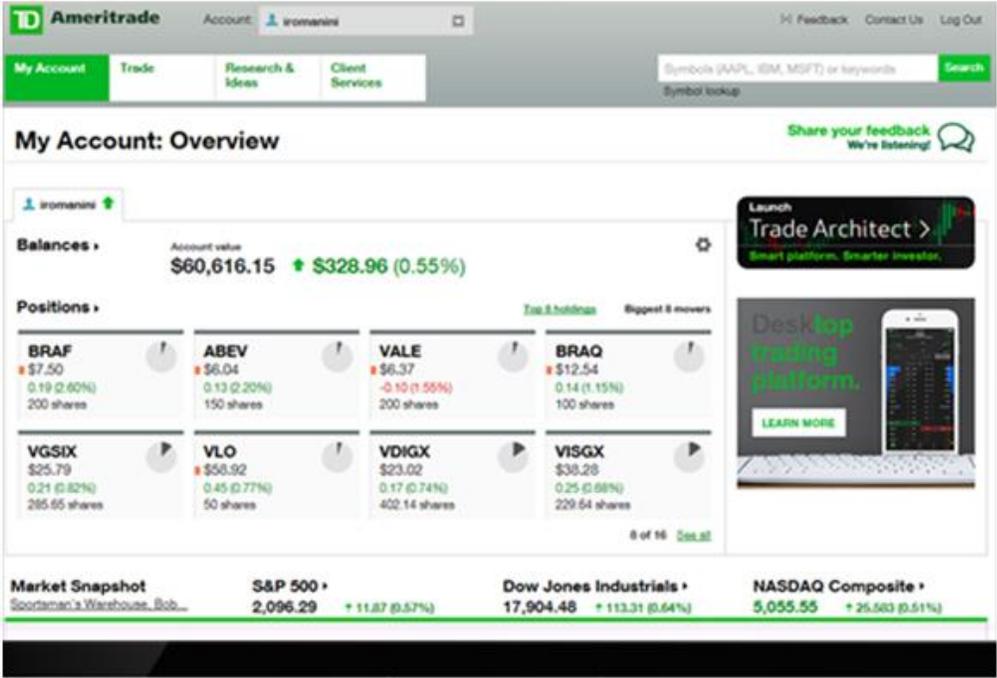
Auto-rebalance

Note: You may be required to keep a minimum balance in your HSA cash account to enroll and invest funds.

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# TD Ameritrade Self-Directed Brokerage Option



Stocks/Bonds/ETFs/Options



Thousands of mutual funds



Four ways to place trades: website, telephone, mobile device, and broker



Integrated online access to trading, balance information, and much more through HSA Bank's Member Website



Trading fees may be applied; additional fees vary by program, location, or arrangement.

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# Disclaimers and copyright

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# 401(k) vs. HSA for retirement savings

**401(k)** ..... **-\$24,000** ..... **\$76,000**  
**\$100,000** (taxes) for healthcare

**HSA** ..... **\$100,000**  
**\$100,000** for healthcare

*If you use your 401(k) for healthcare expenses, you'll pay taxes. You'll never pay taxes for healthcare expenses when you use your HSA.*

“The Long-Term Value of an HSA.” *HealthView Services*. May 2020. <https://hvsfinancial.com/wp-content/uploads/2020/05/the-Long-Term-Value-of-an-HSA-1.pdf>

# Two retirement solutions, working together

	HSA	401(k), 403(b) or 457
Tax-free contributions	Yes	Yes
Tax-free growth	Yes	No (deferred only)
Tax-free distributions for IRS-qualified medical expense	Yes	No
Ability to invest	Yes	Yes
Easy to use funds	Yes	No
Required minimum distributions (RMDs) after age 72	No	Yes
Ideal use	Tax-advantaged payment of IRS-qualified medical expenses, preserving other retirement savings	Tax-advantaged retirement savings for future retirement income



## Destination: Retirement

Peace of mind is  
priceless



Thank you

