



Maximize Your Wealth Using An IncredibleBank Health Savings Account

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Introduction To Health Savings Accounts

Welcome to the world of Health Savings Accounts commonly known as an HSA. These are accounts designed to help the account-holder save on out-of-pocket medical expenses related to their high deductible health insurance plans while also providing tax advantages. Contributions to HSAs are tax-deductible and withdrawals for qualified medical related expenses are also tax-free.

But, when you turn 65 years of age, the rules governing Health Savings Accounts provide for greater flexibility in how you can use your funds. That's how you can maximize your wealth with an IncredibleBank HSA and turn it from a healthcare investment vehicle into a retirement benefit.

Now, let's set the record straight – some people confuse an HSA with an FSA. An FSA is a Flexible Spending Account and differs significantly from an HSA. While both FSAs and HSAs allow people to save for their medical expenses on a tax-advantaged basis by using pretax money to pay for qualified medical costs, FSAs are limited as to how much money can rollover from one year to the next whereas HSAs don't have the same "use it or lose it" requirement. Annual contributions you make to an FSA may also be lower than that of an HSA. Another significant difference is that you control an HSA while FSAs are less flexible and are owned by an employer. So, if you leave your job, the funds in your FSA might be forfeited while any funds in your HSA are yours to keep and transfer into another HSA account.



You Must Qualify Before Anything Else Happens

In order to maximize your wealth, you must first qualify for an HSA account. In order to do this, you'll need a high-deductible health insurance plan (HDHP). This is presently defined by the IRS as a health insurance plan with a deductible of at least \$1,350 of coverage for an individual, or \$2,700 for a family. You should always review IRS guidelines for complete detail and exceptions.

Your health plan also needs to conform to an out-of-pocket maximum. For 2019, the out-of-pocket maximum for an HSA qualified health plan can't be more than \$6,750 for individual coverage or \$13,500 for family coverage.

These requirements can change from year-to-year so ask your employer or health insurance provider about the present requirements. But remember this, you must qualify from one year to the next so you can't make additional contributions in one year and expect to make them in the following year if you don't have the right plan. If you do or can qualify for an HSA account, you'll be well on your way to achieving a very useful and significant retirement investment.



The Magic Happens At Age 65; That's How You Maximize Your Wealth

We'll get into some of the fundamentals of HSA accounts, but let's cut-to-the-chase. If you're younger, you should begin to start contributing the maximum amounts into your HSA account because you could see a retirement windfall after you turn 65 years old. And, if you have \$25,000 or more in an existing HSA account, you'll want to transfer or roll it over to IncredibleBank for a high yield 1.61% APY. People forget that an HSA is not just a medical tax advantage, but also a valuable retirement asset like an IRA or 401(k).

Here's what happens: before age 65, the money in an HSA can only be used tax-free for qualified medical expenses. If you withdraw your HSA funds for anything else, the money will be taxed, and you will pay a 20% penalty on top of the taxes. After age 65, how you decide to use your HSA funds becomes far more flexible. Now you can use that money for other retirement essentials and pleasures.

Health insurance premiums: you can use your HSA funds tax and penalty-free to pay premiums for health coverage or for Medicare.

Nonmedical retirement expenses: although money used for nonmedical expenses will be subject to federal and state income taxes (in most cases), after age 65 you will not be subject to the 20% penalty fee when you use your HSA for other expenses.

If you are enrolled in Medicare, your eligibility will end for HSA contributions. However, your options expand for using the money that you have saved in the account. Travel, buy things, or use the money to improve your retirement in ways you never thought imaginable.

The point is this. Open an IncredibleBank HSA as soon as you can. Contribute to it at the annual maximum levels. Let it earn interest. And then when you're 65 years old, use it for any expenses, medical or otherwise.



There Are **Fixed Limits** To What You Can Contribute

Contribution levels can change each year, but currently you can contribute \$3,500 to your account if you're an individual or \$7,000 if you're a family. And don't forget this, if you are 55 or older, you can make a one-time, \$1,000 "catch-up" contribution to your account.

However, when it comes to HSAs, there's no double-dipping. If you have an employer making contributions to your account, those contributions count toward your annual limit. So, if it's a 50-50 benefit, you'll be able to contribute \$1,750 as an individual and \$3,500 as a family. Typically, you'll have until the April 15 tax filing date to make contributions to your HSA account.

What Can **HSA Funds** Be Used For?

Here is a brief list of what the funds can be used for, but the IRS published [a complete list found here](#):

- Office-visit co-payments
- Health insurance deductibles
- Dental expenses
- Vision care (eye exams and eyeglasses)
- Prescription drugs and insulin
- Medicare premiums
- Hearing aids
- Hospital and physical therapy bills
- Wheelchairs and walkers
- X-rays



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Using Your HSA As An Investment

Health Savings Accounts are a relatively new investment vehicle, having been established in 2003. According to a National Health Interview Survey conducted by the Center for Disease Control and Prevention, only 18.9% of people enrolled in employment-based health coverage have an HSA. You should view your HSA as another investment resource like a 401(k) or an IRA. Remember, your employer or insurance provider might assist you with opening an HSA, and that's when the real returns begin; particularly when your employer contributes to your HSA on your behalf. It's important to capitalize on this key benefit just like you would take advantage of a 401(k) matching benefit. Then, if you're enrolled in a high-yield HSA, like the one offered by IncredibleBank, your returns can be significant.

Triple Tax Benefits

There are three tax advantages to an HSA. They are:

1. Your contributions are tax-deductible up to your annual maximum
2. Just like an IRA or 401(k), your invested HSA funds grow tax-deferred
3. When you withdraw from your account for eligible health-related expenses, those are 100% tax free



Why Choose IncredibleBank For An Incredible Health Savings Account?

As a leader in high yield HSA account offerings, IncredibleBank makes it simpler and better for:

- Using your HSA for health care expenses
- Earning interest on tax-deferred retirement savings
- Tax reporting distributions and contributions
- Helping you with your account transfer and answering all your questions with IncredibleBank HSA Specialists
- Potentially reducing fees if you have multiple accounts; all in one place is always better

Questions? Contact An IncredibleBank Health Savings Account Specialist Today At 877-261-4750 To Assist You With Transferring Your HSA Funds To IncredibleBank.

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