



HSA 101

Understanding the benefits of a health savings account



Harness the power

A health savings account (HSA) is a powerful way to set aside money for healthcare expenses – now and in the future. You determine how much of your pay goes into your HSA, and the funds can be used to pay current health-related expenses or as a supplemental way to prepare for healthcare costs in retirement. Plus, you can take penalty-free HSA distributions for any reason at age 65. Just keep in mind those withdrawals will be taxed as ordinary income if they're not used for eligible medical expenses.

6 key benefits of an HSA

1 Triple tax advantage

You pay no federal income tax on HSA contributions, current investment growth, or withdrawals when the money is used to pay qualifying medical expenses

2 Always yours to keep

Unlike a healthcare flexible spending account (FSA), HSA savings are always yours because there is no use-it-or-lose-it requirement

3 Convenience

Your HSA debit card can be used for payment, with no requirement to immediately verify the expense (we recommend keeping receipts for tax purposes)

4 Potential retirement boost

If you don't need access to your HSA savings now, an HSA can act as a highly tax-favored retirement account

5 Flexibility

Because your HSA is an individual account, you can still access it if you change employers

6 Easy access

View retirement plan and HSA account balances through **transamerica.com**; one sign-on, one password, one service number

Eligibility

You must be enrolled in a high-deductible health plan (HDHP) to be eligible to contribute to an HSA.

You are not eligible if:

- Someone claims you as a dependent on their taxes
- You are enrolled in Medicare
- You or your spouse are contributing to a healthcare FSA
- You are covered by select health reimbursement arrangements (HRAs)

Make the most of your HSA

Because of its unique tax advantages, an HSA can be a powerful wealth-building vehicle on the road to retirement. Whether you spend your money now or later, here are some examples of eligible expenses covered by an HSA:



Copays, coinsurance,
insurance premiums



Doctor visits and certain
surgical procedures



Over-the-counter medications



Prescription drugs



Dental and orthodontics



Vision expenses such as
frames, contacts, prescription
sunglasses

Preparing for the future goes beyond your traditional retirement accounts.

Consider taking advantage of an HSA today.



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