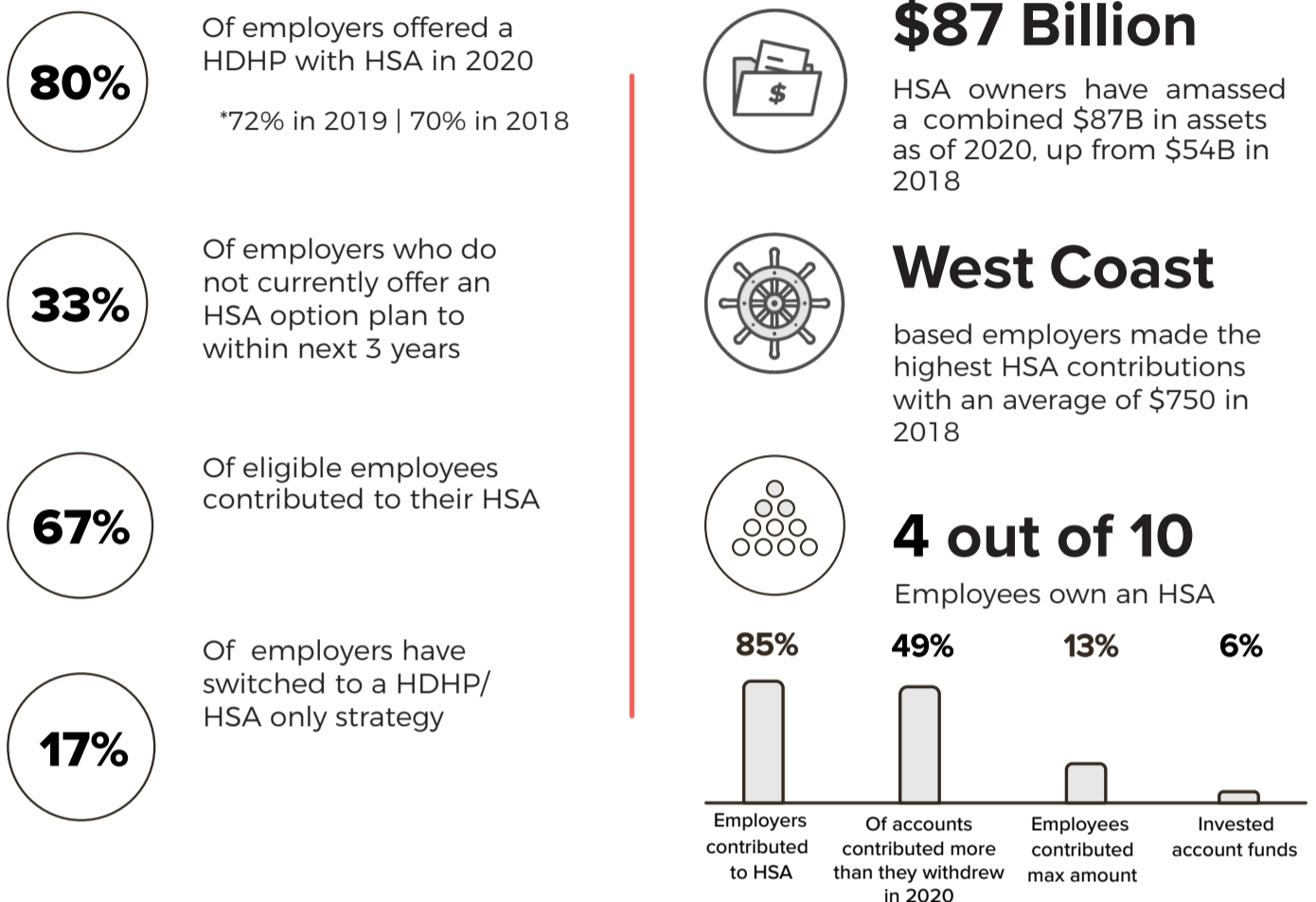


# HSA: Still a Growing Trend?

High Deductible Health Plans paired with HSA accounts have become a sort of “darling” of the healthcare world over the last few years as employers search for creative solutions to the rising costs of insurance and healthcare. But how many people have actually adopted it as a strategy?

See below to familiarize yourself with recent numbers surrounding HSA accounts.

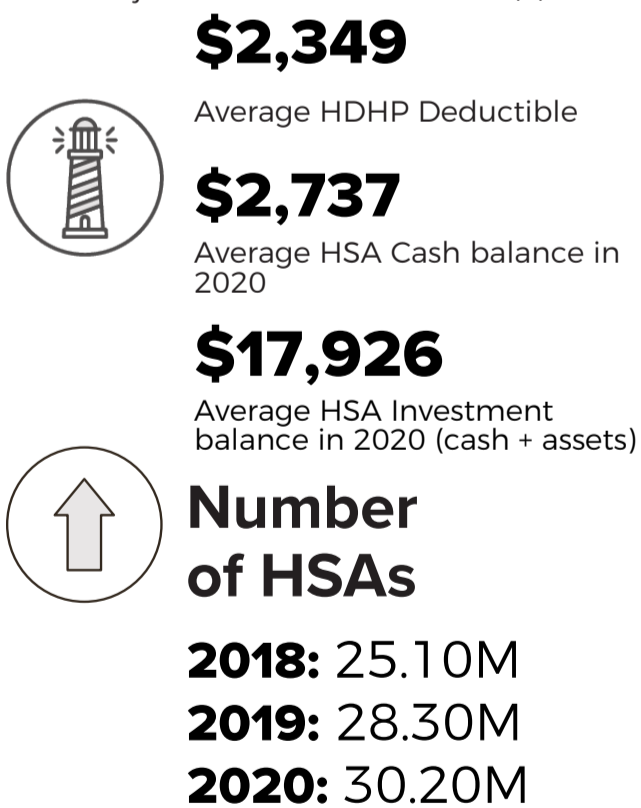


## Health Savings Account: A Retirement Strategy

With only 6% of HSA owners choosing to invest their balance, it’s a bit of an understatement to say that it is an overlooked opportunity. But why would anyone consider utilizing their HSA as a retirement account or vehicle?

While it is fairly common knowledge that HSA contributions are tax deductible, many do not think that the fact that participants are also saving on the 7.65% FICA tax. This is actually a more favorable tax benefit than your 401(k)! Furthermore, you can make tax free distributions for qualified medical expenses. That means that your HSA investment has **zero taxes on contributions, zero taxes on investment gains, and zero taxes on distributions for medical expenses.**

With medical expenses expected to account for 20-30% of a person's retirement budget, the long-term value of an HSA becomes clear. Furthermore, you can use your HSA for ordinary retirement income. At age 65, or upon Medicare eligibility, you can make distributions from your HSA, for any purpose, and it will be taxed as ordinary income just like a traditional 401(k).



## Steady Average Employer HSA Contribution

	2020	2019
Single	\$609	\$605
Family	\$1,137	\$1,069

## About Aldrich Advisors LLP

Aldrich is a West Coast based regional firm of advisors, independent CPAs, and Employee Benefits Consultants. We are known as trusted advisors, helping our clients solve problems, recognize opportunities, streamline processes, and better utilize their resources so that they can best manage their growth and achieve their goals. Our firm is built on close personal and professional relationships nationwide.

Aldrich’s broad depth of resources and vast set of tools help our clients navigate through the complex landscape of healthcare compliance, legislation, regulation, and reform. We work proactively on your behalf to stay abreast of the most important issues impacting your employee benefits programs. Our five step approach, **with a focus on consulting, compliance and education, data analytics, employee advocacy, and employee wellness,** allows our team to serve you holistically with expert knowledge and best in class resources.