

HSA Triple Play

Health Savings Accounts are the only savings vehicle that offers three levels of tax-free bliss

When it comes to savings and investing, the Holy Grail of tax-deferred contributions, tax-free growth and tax-free distributions is hard to find. But thanks to an update to Medicare in 2003, these three benefits can be achieved. Health Savings Accounts (HSAs) offer significant investment, planning and tax advantages that all investors need to explore.

HSAs have emerged as dynamic financial instruments that cannot be ignored. Here are just a few of the key benefits:

- **Annual contribution limits as high as \$9,300 in 2024**
- **Funds can be invested in a variety of stocks, bonds, and other securities to maximize long-term growth**
- **No Required Minimum Distributions (RMDs) allowing assets to stay invested longer and provide additional versatility in your retirement planning**
- **No annual “use it or lose it” rules like Flexible Spending Accounts (FSAs)**
- **HSAs can be transferred to a spouse upon death with rules similar to IRAs**



HSAs not only serve as immediate tools for medical expenses but also as vehicles for retirement savings. Although HSAs typically cannot be used for health insurance premiums, funds can cover premiums for long-term care insurance and many Medicare expenses. And if you decide to use

your HSA funds for non-medical expenses after you reach 65, you'll only pay ordinary income tax on the amount withdrawn. Contributing the maximum amount to an HSA annually offers significant enhancements to your retirement planning strategies.

If you're interested in learning more about how to set-up and invest in an HSA, please email me at glenn@avistamail.net or give me a call at my office number listed below.



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