

Maximizing HSA Savings Potential

*A guide to Health Savings Account (HSA)
investment options*





Are you getting the most from your HSA?

When it comes to maximizing your employee benefits, you've already made some smart choices.

You elected to participate in an HSA-eligible health plan that enables you to play a more active role in your health care. Now, because of these health-inspired choices you've made, you have access to powerful and flexible financial planning tools that you'll want to be sure to maximize.

Investment options that help you build for the future.

Your HSA provides a secure financial foundation for your health and financial well-being today. But, if you want to achieve more, an **HSA Investment Account** provides the perfect solution.

A self-directed HSA Investment Account account is available to you once your HSA balance reaches \$1,000 plus the amount you want to invest. Investment accounts link directly to your HSA for easy movement of funds back and forth. Through your HSA Investment Account, you will have access to a wide range of fund choices, designed to suit your individual needs and financial goals, managed by some of the most well-respected names in financial services such as Vanguard, Schwab, Fidelity, BlackRock, PIMCO and more.¹

¹Sample list of fund providers; your specific options may vary. View your funds options in your online account.

Investments funds are not Federal Deposit Insurance Corp. (FDIC) insured, not bank issued or guaranteed, and are subject to risk, including fluctuations in value and the possible loss of the principal amount invested. Please consult your financial planner for more information.

Your money is your money. Let's make it grow.

One account with a trio of tax advantages

Currently, there is no other financial tool under the tax code that offers the same benefits as HSAs.

- ① From the start, contributions made to your HSA, either by you or your employer, have been made on a **pre-tax** or **tax-deductible** basis and placed in an interest-bearing cash account.
- ② When you need to use funds for qualified health expenses, you can withdraw HSA funds on a **tax-free** basis.
- ③ Your interest earnings are never taxed, and, when you choose to invest your funds, earnings from investments are **not taxed** either.

Together, the triple benefits of pre-tax contributions, tax-free earnings on interest and investments, and tax-free withdrawals for qualified medical expenses can really start adding up.²

²HSAs are tax exempt for purposes of your federal income tax filings. HSAs are also tax exempt for most state income tax filings. However, some states do tax your HSA contributions and even potentially the earnings and capital gains. Please consult your tax advisor regarding your state's specific rules.

To take advantage of tax-free investment growth, open an HSA Investment Account.

HSA Investment Account features and benefits

HSA Investment Accounts are simple to open and manage—you can set up an account in minutes.

Because your HSA Investment Account is linked to your HSA cash account, you can easily liquidate any investment, in part or in full, to **pay for health care expenses**.

There are **no trade fees** associated with your self-directed HSA Investment Account. An annual \$18 administrative fee covers all trade activity for an entire year—without limitation—no matter the value of your investment portfolio.³



EASY
to get started



GROWTH
potential for your future



SMART
hands-free automation

³The available funds may also charge fees and expenses, including surrender or redemption fees, "12b-1 fees," and other fees, as described in each mutual fund's prospectus.

Investments made easy

- *Easy online program enrollment*
- *Best-in-class investment choices*
- *No-load funds*
- *Distinguished fund providers*
- *Multiple asset classes represented*
- *Low-expense ratios*
- *No trade fees*
- *Market research tools*
- *HSA asset allocation planner*
- *Simple to buy/sell/realign portfolios*
- *Automatic investment options*
- *Tax-free investment growth*
- *Online and mobile access*

Put your HSA to work for you.

The earlier you begin investing, the more it can grow. Even if you make regular withdrawals for health care expenses, you can still build a nest egg for the future.

Say you contribute \$3,000 a year to your HSA each year until retirement. Assuming you use \$1,500 a year for medical expenses, earn 8% a year in interest and investments, and reinvest all earnings, your savings can really add up.⁴

Starting Age	HSA Value at age 65
25	\$419,680
35	\$183,523
45	\$74,137
55	\$23,469

Source: ConnectYourCare Calculator: HSA Growth Estimator

⁴This is a hypothetical example for illustrative purposes only and does not represent the performance of any specific HSA.





It's time take your HSA to the next level.

Ready to get started? Investments are at your fingertips.

We've made opening and managing your HSA Investment Account a snap. Once you reach the minimum of \$1,000 in your HSA, plus the amount of the funds you would like to purchase, you can get started.

① Log in to your account at premera.com and click the “Personal Funding Account” link, then select “Investments.” Not at a desk? The mobile app, myCYC, provides investment features on the go.

② Click the “Open HSA Investment Account” button. Follow the screen prompts to:

- Research and select your funds.
- Enter your initial investment amount.
- Allocate your investment amount across your selected funds.
- Review and submit your investment order. The amount of your specified investment will be transferred from your HSA cash account and invested in the fund(s) you've selected.

③ Your investment transactions and portfolio details are available online or on the mobile app. You can change your investment allocations, purchase new funds, or sell funds at any time.

HSA Investments ✕ Close

INVESTMENT BALANCE: \$0.00 Available to Invest: \$197.44 Investment Status: [Enroll Now](#) EDUCATION & TOOLS [More actions...](#)

Get Started with Your HSA Investments

INVESTING IS EASY
Your HSA earns interest from day one. In addition to your interest earnings, you also have investment options to further grow your funds.

MINIMUM BALANCE I NEED TO INVEST
A minimum HSA balance of \$1,000.00 is required for you to invest your funds in an HSA Investment Account.

MUTUAL FUND OPTIONS ⓘ
Mutual fund investing may help you grow your account balance faster than an interest-only account.

HSA Investment Account
Start an HSA Investment Account in three easy steps:

1. DECIDE HOW MUCH TO INVEST.
2. SELECT YOUR MUTUAL FUNDS.
3. ALLOCATE YOUR MONIES ACROSS THE FUNDS YOU SELECTED.

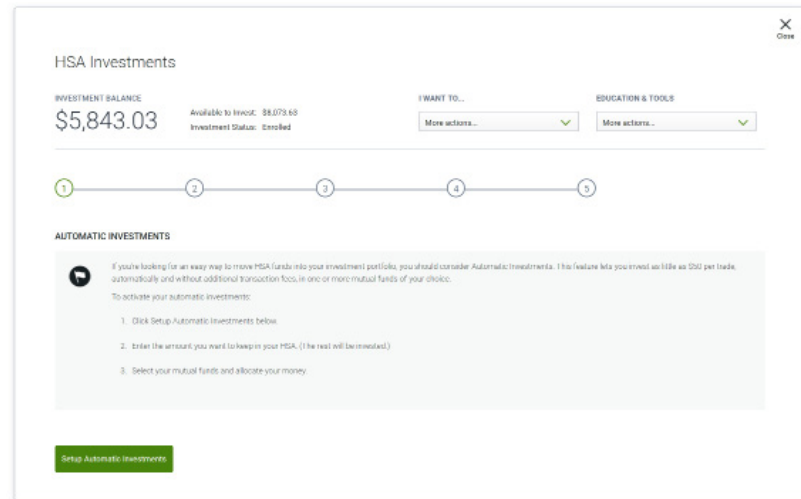
[Open HSA Investment Account](#)

Don't have \$1,000 in your HSA? Check out your options today so you are ready when the day arrives.⁴

Enjoy the simplicity of auto-investments.

Our Automatic Investments tool allows you to set your investment preferences to have future contributions automatically invested, according to your instructions. Not only does automatic investing give you one less thing to worry about, it ensures that you are regularly tending to your financial well-being.

1. In your online account, click on the “Investments” link, then the “Manage Automatic Investments” link from the dropdown menu on the HSA investments page.
2. Click the “Setup Automatic Investment” button.
 - Enter the amount that you would like to keep as the cash portion of your HSA; this specified cash amount will not be invested (minimum \$1,000). Any time your HSA cash balance exceeds the amount you have elected to maintain in your account by \$50 or more, the excess is automatically invested.
 - Follow screen prompts to select your Automatic Investment allocations. Your current portfolio is provided for your convenience, but your Automatic Investment fund selections will not realign your current portfolio.
 - You may also choose to add additional funds to your Automatic Investments by clicking “Select Additional Funds” and following screen prompts to add funds.



The screenshot shows the 'HSA Investments' management page. At the top, it displays the 'INVESTMENT BALANCE' as '\$5,843.03'. To the right, it shows 'Available to Invest: \$8,079.68' and 'Investment Status: Enrolled'. There are two dropdown menus labeled 'I WANT TO...' and 'EDUCATION & TOOLS', both with 'More actions...' options. Below this is a progress bar with five steps, where step 1 is highlighted. The 'AUTOMATIC INVESTMENTS' section contains a tip about using automatic investments and a three-step process: 1. Click Setup Automatic Investments below, 2. Enter the amount you want to keep in your HSA, (the rest will be invested), and 3. Select your mutual funds and allocate your money. A green button labeled 'Setup Automatic Investments' is at the bottom.

Need to make a change? Return to the “Manage Automatic Investments” section to change your settings at any time.



Frequently Asked Questions

1

What is an HSA Investment Account and how do I set one up?

An HSA Investment Account allows you to invest your HSA balance in a wide range of fund choices, giving you the potential to grow your account. Once your HSA reaches \$1,000, plus the amount you want to invest, you may open your HSA Investment Account online or within the mobile app. Simply log in to your account at premera.com, and click on the “Personal Funding Account” link in your online account, then select “Investments.”

2

What is an HSA cash account?

The HSA cash account, also called a deposit account, is where your HSA contributions are placed, by default. Your HSA cash account is eligible for FDIC insurance protection in accordance with applicable law. HSA investments are not bank-issued or guaranteed, and are subject to investment risks, including fluctuations in value and the possible loss of principal amount invested.

3

What if I have a major medical expense and most of my HSA funds are invested?

Should you need to access invested funds for qualified health care expenses, simply log in to your account online and click on the Investments link. Once there, you may initiate the sale of shares, which will be deposited back into your HSA cash account. Please note that investment transactions may take up to three days to process and post.

4

What investment options are available to maximize my HSA savings?

There are dozens of funds you may select in your investment account, with offerings across a variety of recognized fund classes. For a current list of mutual fund investment options, log in to your account at premera.com and click the “Personal Funding Account” link, then select “Investments.”

Additionally, you may choose to set up Automatic Investments, which automatically invests your HSA funds according to your preferences.

5

Are there investment fees tied to my trading activity?

There is an \$18 annual fee associated with your HSA Investment Account. This annual fee covers all trading activity, without limitation. The fee is assessed with your first trade, and then upon the anniversary of your first trade each year. Other fees may apply as determined by the fund companies, as described in each fund’s prospectus.

ConnectYourCare is not a broker-dealer or registered investment advisor, and does not provide investment advice or research concerning securities, make recommendations concerning securities, or otherwise solicit such transactions. The HSA investment program is an optional, “self-directed” product, i.e., the decision to invest a portion of your HSA cash balance into HSA Investment Account, if at all, and which HSA Investments to choose are solely within your discretion and at your direction. ConnectYourCare does not provide any investment advice to you or have any duty to review or monitor the investments in an individual account. Consequently, you are solely responsible for determining the suitability for you of investing in a HSA Investment and you may wish to consult with your financial adviser before doing so. Before you make any investment, you should carefully review the mutual fund’s prospectus and consider its objectives, associated risks and any fees or expenses that may apply. Investing entails the risk of loss of principal.

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