

# WHEN HEALTH MEETS WEALTH

## Understanding the benefits of long-term investing.

With a Cigna Choice Fund® Health Savings Account (HSA), investing for the future is an important benefit available to you. In addition to using your HSA funds for qualified medical expenses, your HSA gives you the option to invest your money for potential long-term savings and tax advantages. It's an easy way to start - or add to - your investment portfolio.<sup>1</sup>

We are here to help you learn about the power of your HSA so you can make the right choices for you and your family. Let's begin with a refresher on how to use your HSA and visit some of the key decision points.

### A typical health savings account experience



### You have two options to pay for your care

1

Use your HSA contributions



Pay your IRS qualified health care expense using the funds in your HSA cash account

OR

2

Save your HSA contributions for the future



Pay your IRS qualified health care expense using your personal funds, with the option to reimburse yourself later



Open an HSA investment account.\* Save your funds for future expenses or use as additional income during retirement\*\*

\* You must first reach the minimum amount to open an HSA investment account. The minimum balance required will be disclosed by the bank used for your HSA.

\*\* After age 65, funds can be withdrawn for any purpose without penalty but may be subject to income tax if not used for qualified health care expenses.

## Key information about investing in your HSA

Having an HSA investment account lets you use your contributions to help build and grow additional income for your future.

- Like a 401(k) or IRA retirement account, HSA investment earnings are tax-deferred. If you use them to pay for eligible health care costs, they are also free from federal and most state income taxes.<sup>2</sup>
- In some cases, HSAs provide a higher annual contribution limit than IRAs. If you're age 55 or older, you can make an added catch-up contribution up to \$1,000 in the calendar year.
- You can move your HSA investment funds back into your HSA cash account at any time to pay for your current qualified health care expenses (unlike a 401k or IRA).

### Why should I consider investing?

An HSA investment account can be a great way to help you prepare and save for your future or save for unexpected health care costs.

You can take advantage of many benefits, including:

- Potential long-term savings – much like a 401k or IRA
- Tax-exempt contributions – all contributions and gains are exempt from federal and most state taxes while invested<sup>2</sup>
- Tax exempt withdrawals<sup>2</sup> – as long as the money is used for eligible health care expenses or to reimburse yourself when you've paid for such expenses using your personal funds
- Easy-to-use online investment platform, available 24/7

### Savings Over Time

\$4,000/year contribution with taxes applied

	Contribution (with taxes applied)	Account balance in 15 years
HSA	\$4,200	\$90,630
401K	\$4,200	\$77,035
Roth IRA	\$2,694	\$61,039
Regular savings	\$2,694	\$57,292

Source: WEX Health 2017, utilizing data from U.S. Department of Labor, Pension Benefits Guaranty Corp, EBRI, and Aite Group.

Graph assumes 7.7% payroll tax rate (7.7%) and 25% federal and state income tax bracket. 5% annual growth rate. 15% retirement tax bracket upon withdrawal.

The above chart is for illustrative purposes only. It is not tax or investment advice. Cigna makes no representations as to the accuracy or suitability of this information. Investments are subject to loss of principal and individual results will vary.

## Additional resources

We understand there is a lot to learn about investing in your HSA. Prior to opening an investment account, we encourage you to discuss your family's financial needs and goals with a professional financial advisor.

You can also learn more with the following tools and resources via [myCigna.com](https://myCigna.com).



#### General education

- Investment FAQs
- List of mutual funds
- HSA future value calculator
- Sample investment performance pages



#### Personalized interactive education

- Personalized video delivery

**By investing in your Cigna Choice Fund Health Savings Account, it may help you and your family be prepared for a healthy future. Remember, we are always here to answer any questions you may have. Give us a call – 24/7/365 – at the number on the back of your ID card.**

1. Investment accounts are not FDIC insured and they are not bank guaranteed. Investments are subject to market fluctuation, investment risk and possible loss of principal. You should consult a professional financial advisor prior to exercising any investment options.

2. HSA contributions and earnings are not subject to federal taxes and not subject to state taxes in most states. A few states do not allow pretax treatment of contributions or earnings. See your professional tax advisor for information about your state.

HSA services, including brokerage/investment services are provided exclusively by third party banking and investment institutions and not by Cigna. Fees may apply. Refer to the Deposit Account Agreement and any disclosures included with your account documents for details. All third party banking and investment institutions are solely responsible for their services, transactions and related activities. Cigna and your employer are not responsible for HSA transactions or operation. The information provided in this document is for informational purposes only. It is not tax or investment advice. Cigna assumes no responsibility and shall have no liability under any circumstances arising out of the use or misuse of any information in this publication. You are encouraged to consult a professional tax or financial advisor concerning your own situation and any specific questions you may have.

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