A woman with dark, curly hair is smiling and holding a small, light-colored dog. She is wearing a red top with a white floral pattern. In the foreground, a laptop is open, and its screen is visible. The background is a bright, out-of-focus window with greenery outside.

# Maximize the benefits of your HSA

Health Savings Account (HSA) from Bank of America

About Potential Tax Benefits: You can receive tax-free distributions from your HSA to pay or be reimbursed for qualified medical expenses you incur after you establish the HSA. If you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% tax. Any interest or earnings on the assets in the account are tax-free. You may be able to claim a tax deduction for contributions you, or someone other than your employer, make to your HSA. Certain limits may apply to employees who are considered highly compensated key employees. Bank of America recommends you contact qualified tax or legal counsel before establishing an HSA.

**Investing involves risk. There is always the potential of losing money when you invest in securities.**

While you can use your HSA to pay or be reimbursed for qualified medical expenses, if you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% federal tax. Certain limits may apply to employees who are considered highly compensated key employees. Bank of America recommends you contact qualified tax or legal counsel before establishing an HSA.

Bank of America, Merrill, their affiliates, and advisors do not provide legal, tax or accounting advice. Clients should consult their legal and/or tax advisors before making any financial decisions. This material should be regarded as general information on health care considerations and is not intended to provide specific health care advice. If you have questions regarding your particular situation, please contact your legal or tax advisor.

Mutual Fund investment offerings for the Bank of America, N.A. ("BANA") HSA are provided by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a registered broker dealer, registered investment adviser, Member SIPC, and a wholly owned subsidiary of Bank of America Corporation ("BofA Corp").

Investments in mutual funds are held in an omnibus account at MLPF&S in the name of Bank of America, N.A. ("BANA"), for the benefit of all HSA account owners. Recommendations as to HSA investment menu options are provided to BANA by the Chief Investment Office ("CIO"), Global Wealth & Investment Management ("GWIM"), a division of Bank of America Corporation. The CIO, which provides investment strategies, due diligence, portfolio construction guidance and wealth management solutions for GWIM clients, is part of the Investment Solutions Group (ISG) of GWIM.

Bank of America, N.A. makes available The HSA for Life® Health Savings Account as a custodian only. The HSA for Life is intended to qualify as a Health Savings Account (HSA) as set forth in Internal Revenue Code section 223. However, the account beneficiary establishing the HSA is solely responsible for ensuring satisfaction of eligibility requirements set forth in IRC sec 223. If an individual/employee establishes an HSA and s/he is not otherwise eligible, s/he will be subject to adverse tax consequences. In addition, an employer making contributions to the HSA of an ineligible individual may also be subject to tax consequences. We recommend that applicants and employers contact qualified tax or legal counsel before establishing an HSA.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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# Agenda

Health Savings Account  
(HSA) basics

Using your HSA

Maximizing your HSA

Questions and answers



# HSA basics



# Who can benefit from an HSA?

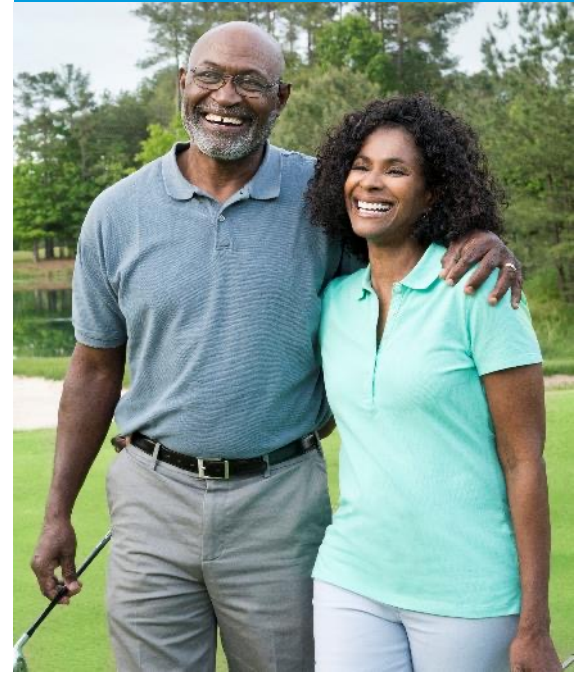
**Any person**



**Any budget**



**Any stage of life**



# What is an HSA?



**Tax-advantaged**  
health savings account



Works with an  
**HSA-qualified** health plan

# HSA's offer flexibility to work with your needs



## Save it.

- Tax-free contributions
- Investments



## Use it.

- Anytime you need to, when you need to



## Never lose it.<sup>1</sup>

- Balance rollover

<sup>1</sup> "Never Lose it" refers to account portability and annual rollover of accumulated assets; it does not imply you cannot lose money. The investment portion of the HSA account is not FDIC insured, not bank guaranteed and may lose value.

## You are eligible to contribute to an HSA if you...

- ✓ Have elected an HSA-qualified health plan
- ✓ Are not covered by any other health plan
- ✓ Do not receive military health care benefits
- ✓ Are not claimed as a dependent on another person's tax return
- ✓ Are not enrolled in Medicare

Note: Cannot participate in a traditional FSA or HRA.



# Annual HSA contribution limits<sup>1</sup>

	2021	2022
Single coverage	\$3,600	\$3,650
Family coverage	\$7,200	\$7,300
Catch-up contribution for those who are age 55 or older	\$1,000	\$1,000



<sup>1</sup> The annual contribution limit applies to all sources including pre-tax, after-tax and employer contributions.

# Deciding how much to contribute

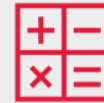
## Start by setting a goal



Annual  
contribution limit



Enough to pay the  
plan deductible



Use the HSA  
calculator

<https://bofa.wealthmsi.com/hsa>

# Three ways to fund your HSA

1. Payroll deductions
2. Individual contributions
3. Move funds from another HSA



# Triple tax advantage

## Tax-free contributions

An annual contribution of \$5,000 could **save you \$1,000 in taxes**

(assumes a 20% total federal tax rate)

---

## Tax-free interest/investment earnings potential

Your balance, whether held as cash or invested in mutual funds, has the potential to **grow federally tax-free** to help pay for health care costs in the future.

---

## Tax-free withdrawals for qualified medical expenses<sup>1</sup>

Not having to pay taxes on a \$2,000 withdrawal means you can put all **\$2,000 toward health care**

<sup>1</sup> "Qualified medical expenses" are expenses for medical care (as defined by Internal Revenue Code Section 213(d)) not covered by insurance or other sources. Qualified medical expenses do not include the cost of insurance premiums other than those for long-term care insurance, COBRA (Consolidated Omnibus Budget Reconciliation Act) health care continuation coverage and coverage for individuals receiving unemployment compensation.

About Triple Tax Advantages: You can receive federal tax-free distributions from your HSA to pay or be reimbursed for qualified medical expenses you incur after you establish the HSA. If you receive distributions for other reasons, the amount you withdraw will be subject to federal income tax and may be subject to an additional 20% tax. Any interest or earnings on the assets in the account are federal tax free. You may be able to claim a federal tax deduction for contributions you, or someone other than your employer, make to your HSA. State tax consequences for HSAs may vary. Bank of America recommends you contact qualified tax or legal counsel before establishing an HSA.



# Using your HSA

# Pay for health care expenses

## Examples of common eligible expenses you may have

- Acupuncture
- Allergy medicines
- Chiropractor
- Contact lenses
- Deductibles
- Dental treatments
- Diabetic supplies
- Eye exams
- Fertility procedures
- Hearing aids
- Laboratory fees
- Laser eye surgery
- Medical supplies
- Medication
- Office visits
- Psychiatric care
- Sunscreen
- Vaccinations and more

## Health care expenses in retirement

- Medicare Part B (outpatient services)
- Medicare Part C Premiums (private Medicare replacement policy)
- Medicare Part D premiums (prescription drugs)
- Most employer retiree plan premiums

### For additional information

View IRS Publication 502 for a complete list of qualified expenses and be sure to check for subsequent legislative updates.

<https://www.irs.gov/forms-pubs/about-publication-502>

# Eligible expense scanner



## MyHealth mobile app

- Verify IRS qualified expenses
- Scan items in-store



# Three ways to pay



Pay with your Bank of America Health Benefit Spending Account Visa® debit card<sup>1</sup> at the time of purchase, or when your provider sends a bill.



Pay a provider directly from the member website or the MyHealth mobile app.



Pay out-of-pocket and then reimburse yourself on the member website or the MyHealth mobile app.



<sup>1</sup> This Health Account Visa debit card program is issued by Bank of America, N.A. Visa is a registered trademark of Visa International Service Association, and is used by the issuer pursuant to license from Visa U.S.A. Inc.



# Maximizing your HSA

# How much will you need for health care in retirement?

Married couple

**\$301,000**



Single woman

**\$163,000**



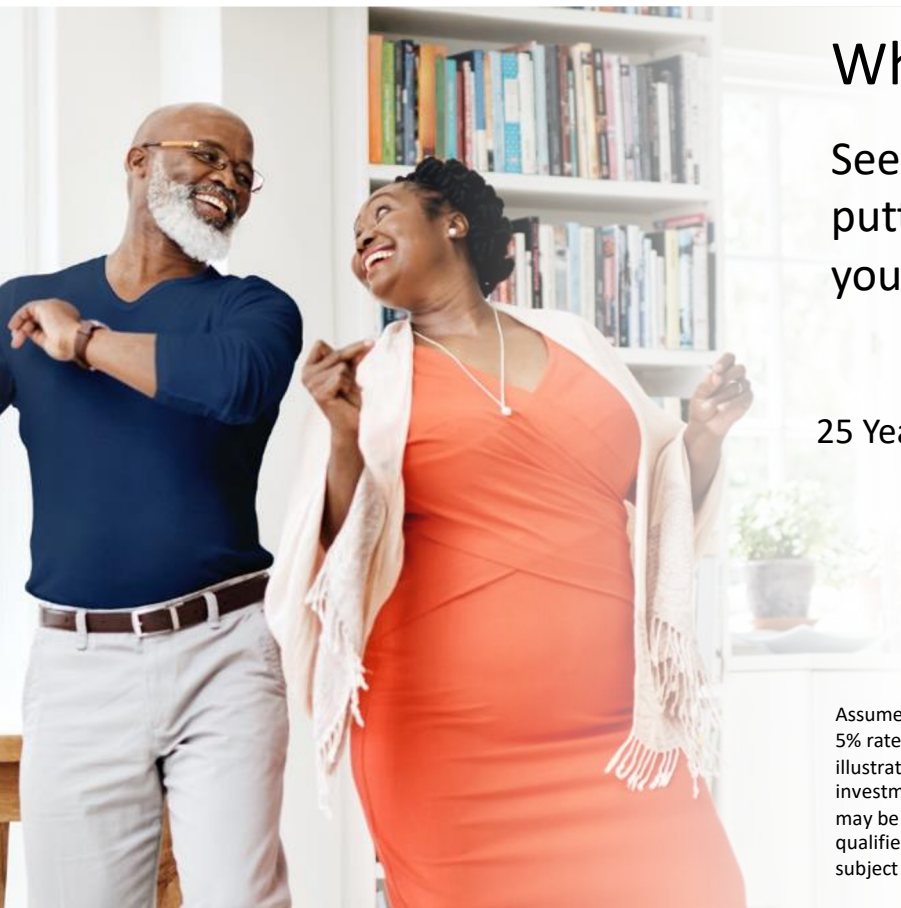
Single man

**\$144,000**



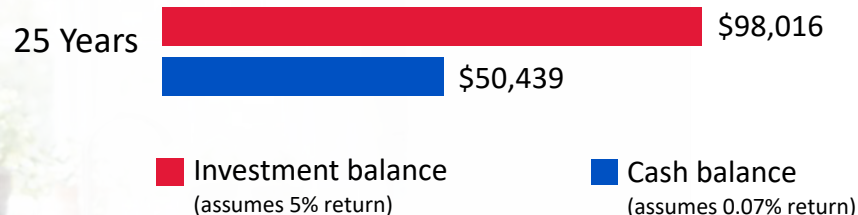
Source: Employee Benefits Research Institute, Issue Brief, no. 481, May 16, 2019. A 65-year-old couple, both with median drug expenses needs \$301,000 to have a 90% chance of having enough money to cover health care expenses (excluding long-term care) in retirement. Savings needed for Medigap Premiums, Medicare Part B Premiums, Medicare Part D Premiums and Out-of-Pocket Drug Expenses for Retirement at age 65 in 2019. A 65-year-old man needs \$144,000 or a 65-year-old woman would need \$163,000 to have to have a 90% chance of having enough money to cover health care expenses (excluding long-term care) in retirement.

# HSA investment feature



## Why consider investing in your HSA

See the potential growth opportunity when putting an incremental \$2,000 each year in your investment account.



Assumes annual net contributions of \$2,000 (contributions - withdrawals = net contributions), 5% rate of return on Investments and 0.07% interest rate on cash account. Hypothetical results are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. Investment return and principal value will fluctuate and when redeemed the investments may be worth more or less than their original cost. While you can use your HSA to pay or be reimbursed for qualified medical expenses, if you receive distributions for other reasons, the amount you withdraw will be subject to federal income tax and may be subject to an additional 20% federal tax.

# Two choices for investing

1. Automatic transfer
2. Manual transfer





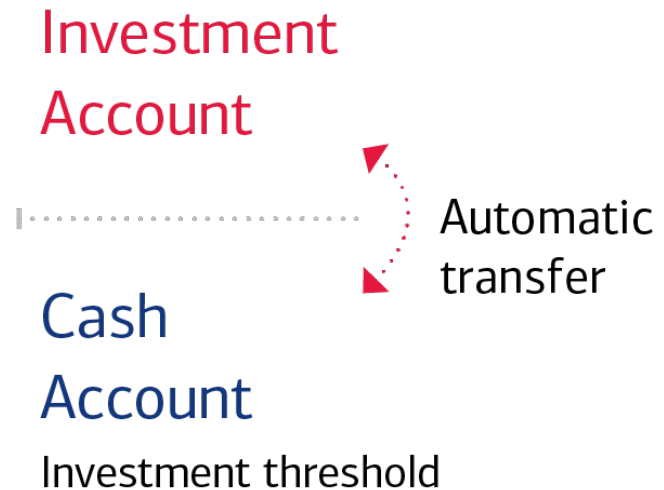
# Setting up your investment profile

## Investment threshold<sup>1</sup>

Set the dollar amount you want to maintain in your cash account to pay for current expenses.

## Automatic transfer

Once your account reaches the threshold that you set, funds automatically transfer between cash and investments.



<sup>1</sup> See the Investments section of the member website for minimum balance requirements to begin investing.

Note: Investment BUY transfers are purchased based on the investment elections you establish. Investment SELL transfers are sold from each mutual fund balance on a pro-rata basis.

# Setting your threshold

## Suggestions for determining how much to set:



Set the amount based on your annual deductible for your health insurance plan



Choose a dollar amount to cover your out-of-pocket expenses this year

# More than 20 mutual fund choices

[Home](#)[Accounts](#)[Tools & Support](#)[Message Center 7](#)

Investments / Manage Investments

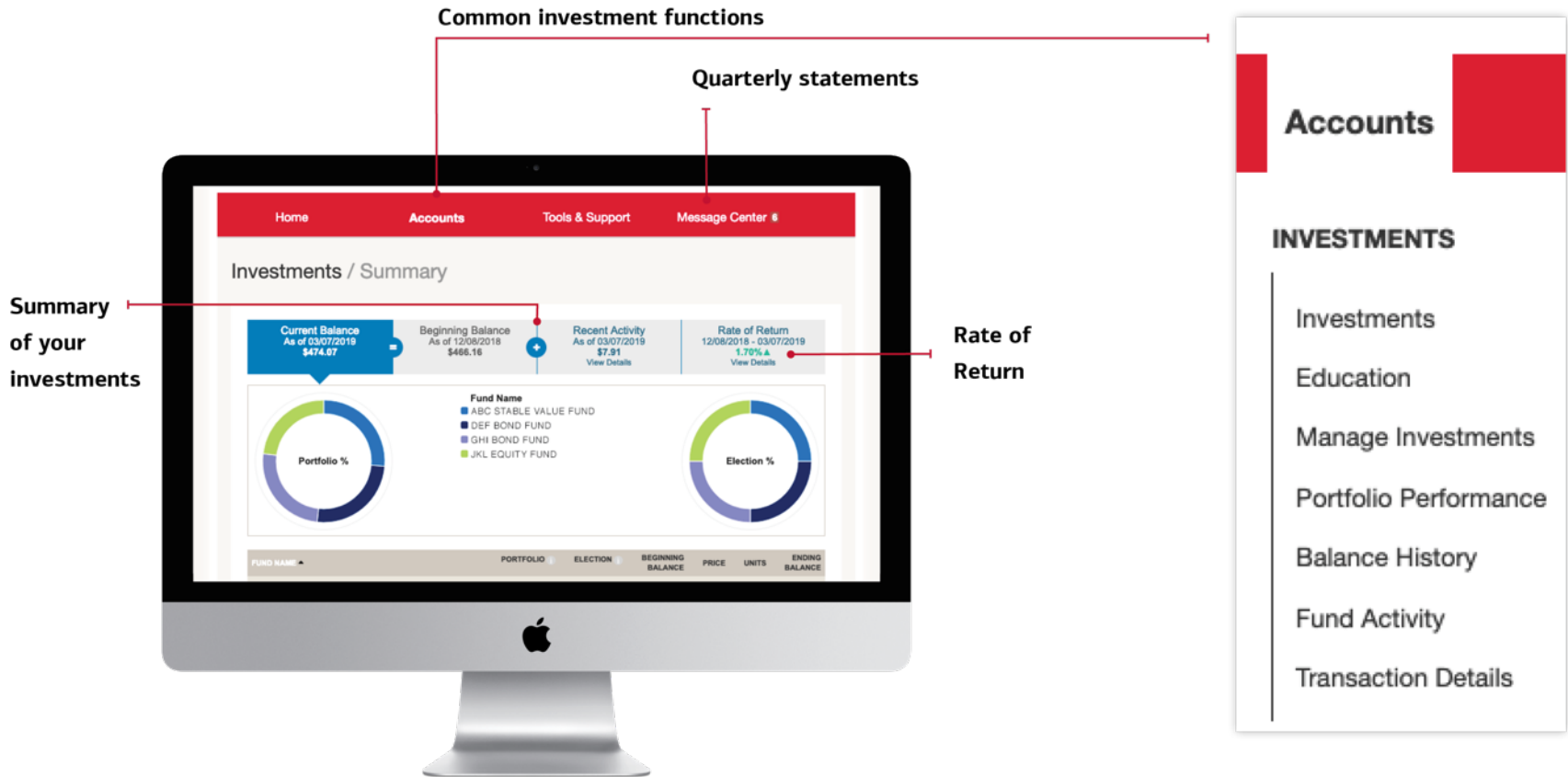
Update Elections

Changes you make on this page will update your current elections only. When new money moves into your investment account, your new selections will control how it is invested.

FUND NAME	TICKER	BALANCE	CURRENT %	NEW %
+ ABC STABLE VALUE FUND	ABC	\$22.74	20 %	<input type="text"/> %
+ DEF BOND FUND	DEF	\$18.15	20 %	<input type="text"/> %
+ GHI BOND FUND	GHI	\$19.84	20 %	<input type="text"/> %
+ JKL EQUITY FUND	JKL	\$17.87	20 %	<input type="text"/> %

Investing involves risk. There is always the potential of losing money when you invest in securities. Please consult with your independent attorney, tax advisor and financial advisor for final recommendations before changing or implementing any financial strategy.

# Managing your investments and education tools



Better together

HSA

Federal income  
tax-free withdrawals<sup>1</sup>

401(k)

Fuel retirement  
lifestyle

<sup>1</sup> About Potential Tax Benefits: You can receive federal income tax-free distributions from your HSA to pay, or be reimbursed for, qualified medical expenses you, your spouse or your dependents incur after you establish the HSA. If you receive distributions for other reasons, the amount you withdraw will be subject to federal income tax and may be subject to an additional 20% federal tax. Any interest or earnings on the assets in the account are federal tax-free. Amounts contributed directly to your HSA by your employer are generally not included in your federal taxable income. Also, if you or someone else make after-tax contributions to your HSA, the contribution may be federal tax deductible. Certain limits may apply to employees who are considered highly compensated or key employees if your employer makes contributions to your HSA or you make HSA contributions through payroll deductions. State tax consequences for HSAs may vary. Bank of America recommends you contact qualified tax or legal counsel before establishing an HSA. The comparability and nondiscrimination testing rules only come into play when contributions are made by an employer or when contributions are made through payroll deductions.

HSA — for every stage of life

# Start early



## Jordan: Age 26

- Health care costs are lower
- No minimum contribution amount
- Plan for medical expenses, now and in the future

	Annually	Tax Savings
HSA contributions	\$2,400	\$480
Qualified expenses paid w/HSA	- \$400	
HSA balance to roll over year end	\$2,000	

Hypothetical illustration and assumes a 20% tax rate. Tax savings of \$480 = \$2400 contribution x 20% tax rate.

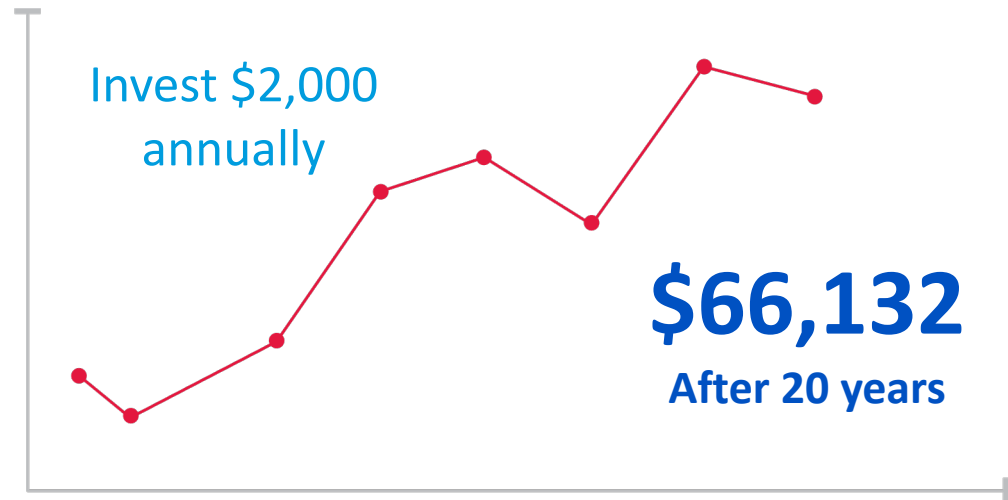


# Consider investing



## Jordan: Age 26

- Potential long-term growth
- \$1,000 minimum to begin investing HSA savings



Assumes \$2,000 net savings annually (contributions of \$2,400 minus qualified expenses of \$400 = \$2,000 net contribution) over 20 years at a 5% rate of return. Hypothetical results are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. Investment return and principal value will fluctuate and when redeemed the investments may be worth more or less than their original cost. While you can use your HSA to pay or be reimbursed for qualified medical expenses, if you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% federal tax.

# Balance your health care spending



## Jessica: Age 39

- Maximize savings
- You can liquidate and move funds from your investment account to your cash account when needed
- Spend only what you need

	Annually	Tax Savings
Maximize Savings	\$6,000	\$1,200
Spending from HSA	- \$2,000	
<b>Savings</b>	<b>\$4,000</b>	

Hypothetical illustration and assumes a 20% tax rate. Tax savings of \$1,200 = \$6,000 contribution x 20% tax rate.

# Potential balance in 20 years

## Jessica: Age 39

Spending less of your HSA balance can save you more over time.

**With contribution of \$6,000**

Annual Spending	Annual Net Contribution	20 Year Savings
\$5,500	\$500	\$16,533
\$4,000	\$2,000	\$66,132
\$2,000	\$4,000	\$132,264

Each scenario assumes \$6,000 annual contribution over 20 years at a 5% rate of return. Spending of \$5,500 with \$500 for the net annual contribution results in a potential balance of \$16,533. Spending of \$4,000 with \$2,000 for the net annual contribution results in a potential balance of \$66,132. Spending of \$2,000 with \$4,000 for the net annual contribution results in a potential balance of \$132,264. Hypothetical results are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. Investment return and principal value will fluctuate and when redeemed the investments may be worth more or less than their original cost. While you can use your HSA to pay or be reimbursed for qualified medical expenses, if you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% federal tax.

# Never too late



## Greg and Mary: Age 55

- Medicare will not cover all expenses
- Maximize contributions
- Use the catch-up contribution

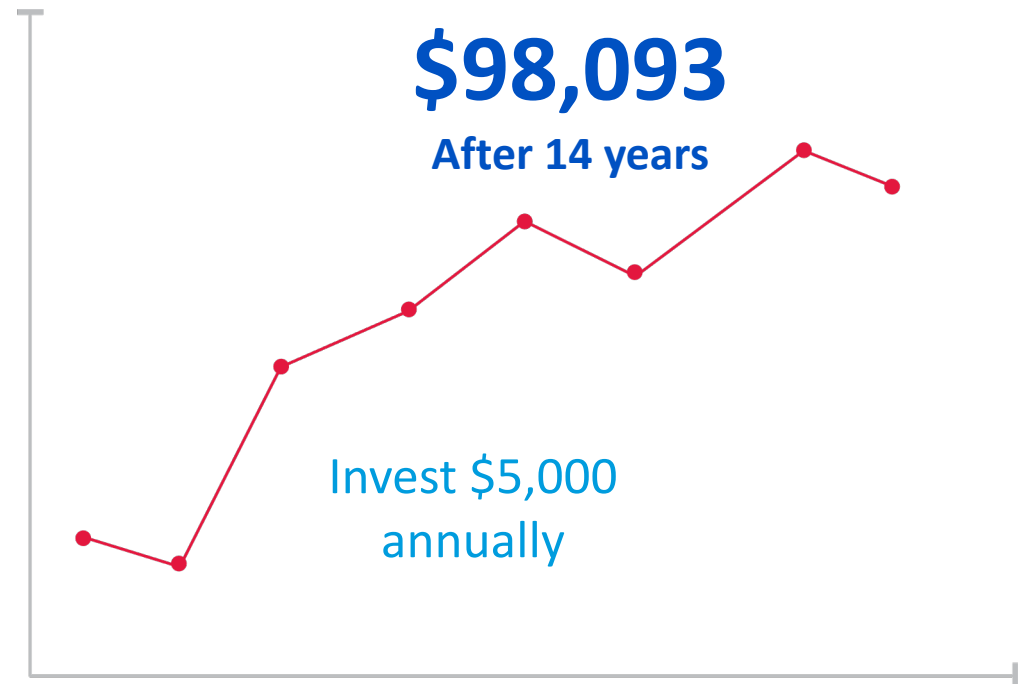
	Annually	Tax Savings
HSA contributions	\$8,300	\$1,660
Qualified expenses paid w/HSA	- \$3,200	
<b>Annual rollover savings</b>	<b>\$5,100</b>	

Hypothetical illustration and assumes a 20% tax rate. Tax savings of \$1,660 = \$8,300 contribution x 20% tax rate. Values are used based on 2021 contribution rate limits.

# Never too late



## Greg and Mary: Age 55



Assumes \$8,300 annual contribution, \$3,200 annual spending for a net contribution of \$5,100 for 14 years at a 5% rate of return. Hypothetical results are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. Investment return and principal value will fluctuate and when redeemed the investments may be worth more or less than their original cost. While you can use your HSA to pay or be reimbursed for qualified medical expenses, if you receive distributions for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 20% federal tax. Calculations are based on 2021 contribution rate limits.



# Be prepared

Today



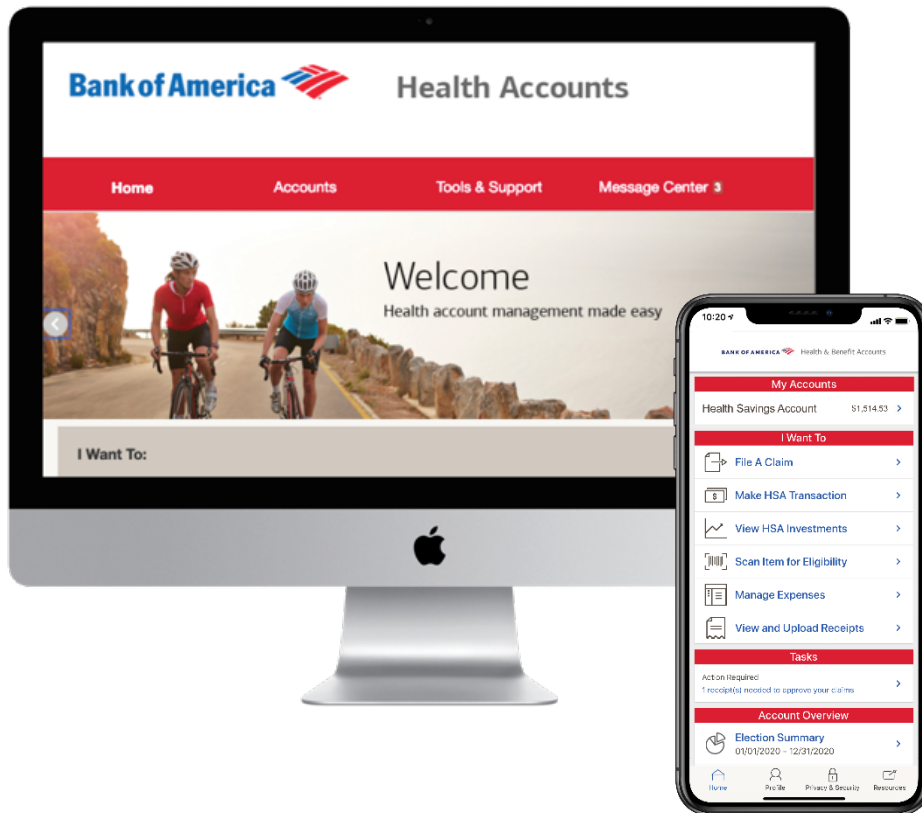
5 years



Retirement



# Easy account management



## Things you can do:

- View balances
- Make transactions
- Order debit cards
- Upload and store receipts
- Manage investments
- More...



# HSA resources for you

The screenshot shows the Bank of America website's 'Learn' section for Health and benefit accounts. The header includes the Bank of America logo, navigation links (Learn, Individuals & Families, Employers, Consultants, Getting Started, Contact Us), and a search bar. The main content area is titled 'Learn' and 'Make the most of your account'. Below this, there are tabs for 'HSA resources', 'FSA resources', 'HRA resources', and 'DCFSA resources'. The 'HSA resources' tab is active, showing a grid of 12 resource cards. Each card has a title, a brief description, and a 'Learn more' button. The cards include: 'MyHealth mobile app', 'Using your health and benefit account', 'HSA investing', 'A quick take on health savings accounts', 'Top 6 reasons to use a health savings account', 'HSA for Life', 'Are you an HSA Pro or Rookie?', 'How are people using health savings accounts to pay for health care?', 'Is an HSA right for me?', 'HSA savings calculator', 'How much do I put in my HSA?', 'Getting to know your high-deductible health plan', and 'How do health accounts compare?'. A large image of a couple looking at a laptop is also visible in the top right of the Learn section.

**BANK OF AMERICA**

Health and benefit accounts

Learn Individuals & Families Employers Consultants Getting Started Contact Us

Home > Learn

**Learn**

Make the most of your account

Life moves fast. That's why it's important to be ready for tomorrow with your health care accounts today. Explore the learn pages for tips on account management as well as information on the benefits of your account. Whether you are a beginner or more advanced, you will find educational tools based upon your individual needs.

HSA resources FSA resources HRA resources DCFSA resources

HSA Basics Using your HSA Optimizing your HSA

**MyHealth mobile app**  
Manage your health and benefit account wherever you need to, wherever you are.

**Using your health and benefit account**  
Learn how to use our technology, tools and education to strengthen your financial future.

**HSA investing**  
Choose to invest your Health Savings Account (HSA) to help it grow for the future.

**A quick take on health savings accounts**  
A Health Savings Account can help you save money for out-of-pocket medical expenses like doctor visits, dental and vision care and prescriptions.

**Top 6 reasons to use a health savings account**  
Anyone can give you five good reasons. We're giving you one more.

**HSA for Life**  
See how the Health Savings Account could benefit you now and in the future.

**Are you an HSA Pro or Rookie?**  
Take a quick quiz to find out!

**How are people using health savings accounts to pay for health care?**  
Let's take a look at some real-life scenarios and see how HSA savings can play out in various situations.

**Is an HSA right for me?**

**HSA savings calculator**  
See how your savings can add up to help pay for medical needs now and in the future.

**How much do I put in my HSA?**  
If you've decided to save in a health savings account, your next move is to figure out how much.

**Getting to know your high-deductible health plan**  
If your company offers an HDHP, it's a good idea to know how it works.

**How do health accounts compare?**  
A summary of the main features of each type of health account, and how some accounts can work together.

## Learn center

- User guide
- How-to videos
- Quizzes
- Calculators
- More...



[www.saveituseit.com](http://www.saveituseit.com)

# Important reminders



Email  
address



Tax forms

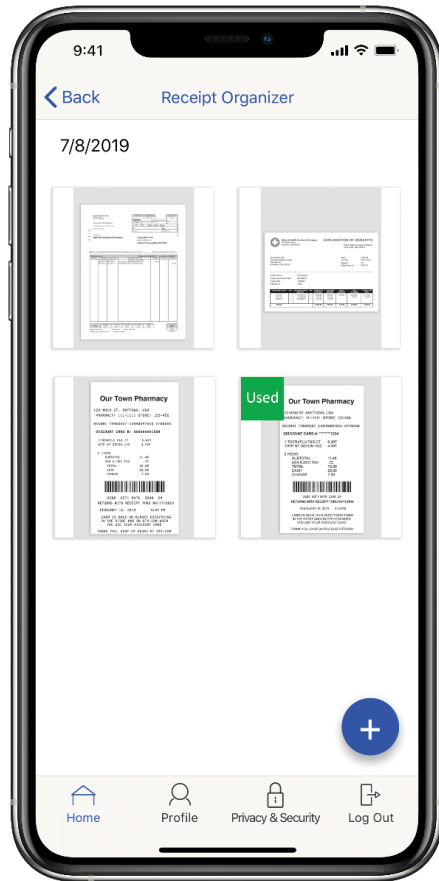


Designate a  
beneficiary



Move an  
existing HSA

# Remember to save your receipts



## Receipt Organizer

- Quickly upload and store receipts
- Conveniently access receipts all in one place

# Want to learn more about your HSA?

Visit [saveituseit.com](https://www.saveituseit.com)

# Questions & Answers