

# Individual (one year)\*

## Health Savings Account Plan Example

Mary enrolled in an HSA-compliant health plan with individual coverage for herself. She may contribute up to \$3,000 into her HSA on a pretax basis. She chooses to contribute \$2,500.

### Mary's Health Plan

**In-network deductible:** \$2,500

**Maximum out-of-pocket:** \$5,000 (including deductible)

	In-network	Out-of-network
<b>Health plan pays</b>	80%	60%
<b>Employee pays</b>	20%	40%
<b>Preventive care:</b> 100% coverage (deductible does not apply)		
<b>Pharmacy coverage:</b> Subject to deductible		

### Scenario

During the year, Mary has in-network health care expenses of \$1,000 that are not considered preventive care. Because her deductible is \$2,500, Mary is responsible for all of these costs. She chooses to pay only \$600 of these expenses from the balance in her HSA, because she wants to start saving for her future health care needs.

Estimated reduction in federal income tax	Amount in HSA	Amount paid from HSA	Amount paid by health plan	Remaining out of pocket expense	Amount remaining in HSA to carry-over
\$625	\$2,500	\$600	\$0	\$400	\$1,900 (plus earnings)

\* This example is for illustrative purposes only. Individual situations will vary depending on the specifics of the HSA-compliant health plan and individual and employer contributions. This example assumes a 25 percent tax bracket.

see reverse side for a Long-Term Growth Potential Example 

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## Long-Term Growth Potential Example

A 40-year-old with no dependents makes monthly contributions to an HSA and does not make withdrawals until age 65. These examples show the long-term growth potential using three different annual contribution scenarios: \$1,250, \$2,500 or \$3,000.

Total annual contributions	<b>\$1,250</b>	<b>\$2,500</b>	<b>\$3,000</b>
Annual tax savings at 30%	(\$375)	(\$750)	(\$900)
Net annual investment	\$875	\$1,750	\$2,100
Total tax savings at age 65	\$9,375	\$18,750	\$22,500
5% growth — at age 65*	\$62,032	\$124,065	\$148,877
10% growth — at age 65	\$138,212	\$276,424	\$331,708

\* Growth computations assume total annual contribution is invested on a prorated basis each month.

[see reverse side for a Health Savings Account Plan Example](#) ----->

Consumer-directed  
health care

