# Learn about the benefits of your health savings account (HSA)

You've opened your Fidelity HSA®, so what's next? Here are some suggestions for using your HSA to its full potential.

## Your HSA checklist:

- ☐ Determine how much to contribute
- ☐ Consider saving for future qualified medical expenses, including those in retirement
- ☐ Choose how to invest your HSA
- ☐ Understand your payment and reimbursement options
- ☐ Designate your beneficiary

## ☑ Determine how much to contribute.

**Your Fidelity HSA® is one of the best ways to save money each year on a tax-advantaged basis to pay for qualified medical expenses.**[1]

You can save money on a pre-tax basis through payroll deductions or through deductible, after-tax contributions — either way, any investment earnings will grow tax-free.[2]

Additionally, if you use your HSA to pay for qualified medical expenses that you, your spouse, or your eligible dependents incur — either now or at any time in the future, even in retirement — your distributions will be federal income tax-free.

**Check out how much you can contribute to an HSA in 2026 and 2027:**

| | 2026 | 2027 |
|---|---|---|
| Individual coverage in an HSA-eligible health plan | $4,400 | $4,500 |
| Family coverage in an HSA-eligible health plan | $8,750 | $9,000 |
| Additional catch-up contribution (if age 55 or older) | $1,000 | $1,000 |

***Note:*** *The amounts indicated above are the maximum aggregate contributions that you and a third party may make to your HSA in 2026 and 2027.* Your spouse, if age 55 or older, can also make a catch-up contribution; however, your spouse must open their own HSA to make this contribution.

## Consider saving for future qualified medical expenses, including those in retirement.

It's estimated that an individual retiring today at age 65 will need $185,500 to cover health care expenses in retirement.[3] Because you are not required to use all the money in your HSA each year, you may want to consider contributing more than you may need in the short term to help pay for qualified medical expenses down the road — even in retirement.

If you can afford to do so, you may want to consider paying current health care expenses out of pocket, allowing your HSA to potentially grow. Consider this hypothetical example:

Many types of qualified medical expenses are eligible for payment or reimbursement from your HSA, including:

- Health plan deductibles and coinsurance
- Most medical care and services
- Dental and vision care
- Prescription drugs and insulin
- Over-the-counter medications
- Medicare premiums (if age 65 or older)

If you contributed $3,000 annually to an HSA and earned a 7% return over a 20-year period, you could potentially grow your balance to $126,471 — that's $60,000 from your own contributions plus $66,471 in earnings that you can use to pay for qualified medical expenses, free from federal taxes.[4]

## Choose how to invest your HSA.

**If you choose to invest your HSA, consider both your short- and long-term needs.**

**Looking to invest your HSA?**
Visit Fidelity.com/HSAinvesting

### PAY FOR CURRENT QUALIFIED MEDICAL EXPENSES

If you're using your HSA to cover current qualified medical expenses, you'll want to ensure easy access to your money. Always prepare for the unexpected by saving enough money in cash to cover your anticipated out-of-pocket medical expenses for the year (including those of your spouse and your eligible dependents). If you need help deciding how much to allocate between your cash balance to cover near-term spending and your investable balance, consider the Cash Target Help tool available at Fidelity.com/HSAinvesting.

### SAVE FOR FUTURE QUALIFIED MEDICAL EXPENSES

Any contributions that are not needed for current medical expenses may be invested for the future. You can start investing at any time by making a one-time trade or setting up automatic investing for future contributions. And there's no required minimum to begin investing and no account transaction fees.[5]

Whether you'd like to be more hands-on or choose from a list of mutual funds, we have strategies that could work for you, including:

- **Fidelity HSA® Funds to Consider:**[6] A professionally selected lineup of fund options, each monitored by Fidelity's investment professionals
- **A brokerage platform:** More than 10,000 mutual funds, individual stocks and bonds, ETFs, and CDs available on Fidelity's brokerage platform to select from

If you need assistance deciding how to invest your HSA savings, consider the HSA Investment Recommendation tool at Fidelity.com/HSAinvesting, a guided online experience designed to help you make confident decisions about how to invest your HSA dollars.

## ☑ Understand your payment and reimbursement options.

**There are multiple ways to use your HSA for payment or reimbursement of qualified medical expenses, including but not limited to:**

- **Pay with your HSA debit card.** Your Fidelity HSA debit card can be used to pay for qualified medical expenses at the point of sale when your out-of-pocket cost is known (such as for prescriptions). Additionally, most health care providers will allow you to use your HSA debit card to pay for bills you receive in the mail. An HSA debit card can be requested for a spouse or eligible dependents.
- **Pay a health care provider directly using the Fidelity Health® app or NetBenefits®.** Simply select your payment amount and confirm your provider's information, and Fidelity will send payment from your HSA.
- **Pay out of pocket and then reimburse yourself.** You can pay for a qualified medical expense and reimburse yourself from your HSA at any time in the future without penalty. Simply transfer money online from your HSA into another Fidelity account or outside bank account.

## ☑ Designate your beneficiary.

Your Fidelity HSA is an individual account that you may pass on to any heirs when you die.

If you did not designate your beneficiary during the HSA online application process, be sure to designate your beneficiary at Fidelity.com/FidelityHSA.

For more information about your HSA, call a Fidelity HSA service specialist at **800-544-3716** or visit NetBenefits.com.

**Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.**

1. Refers to qualified medical expenses as defined by the IRS.
2. Refers to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. See your tax advisor for more information on the state tax implications of HSAs.
3. The Retiree Health Care Cost Estimate (RHCCE) is based on a single person retiring in 2026, 65-years-old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates projected with Mortality Improvements Scale MP-2020 as of 2022. Actual assets needed may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes. The Fidelity Retiree Health Care Cost Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government's insurance program, original Medicare. The calculation takes into account Medicare Part B base premiums and cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care.
4. This hypothetical example is illustrative and doesn't represent the performance of any security in a Fidelity HSA. It assumes the investor receives 2% investment growth on funds in the default investment option and that once the balance in this account reaches $2,500, excess funds will earn 7%. Actual net returns will be based on the investor's investment choices within the Fidelity HSA. This example does not account for the effect of interest, dividends, and taxes. Systematic investing does not ensure a profit and does not protect against loss in a declining market. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 7% annual return also come with risk of loss.
5. While there are no minimum investments in the Fidelity HSA Funds to Consider, some funds available through the brokerage platform do require a minimum amount to invest, but Fidelity does not require a minimum to start investing.
6. In identifying investment options to include in the Fidelity HSA Funds to Consider, Fidelity only considered Fidelity open-end mutual funds and open-end mutual funds offered by a limited universe of third-party fund companies that participate in an exclusive marketing, engagement, and analytics program with Fidelity for which they pay Fidelity an annual fee. The only third-party fund companies whose funds were eligible for this program were companies that generally have a track record of generating the strongest customer demand for their products from across Fidelity's customer channels and have been paying Fidelity a sufficient level of compensation for the shareholder servicing performed by Fidelity.

The information provided in this checklist is general in nature. It is not intended to be, nor should it be construed as, legal or tax advice. Because the administration of an HSA is a taxpayer responsibility, you're strongly encouraged to consult your tax advisor before opening an HSA. You are also encouraged to review information available from the Internal Revenue Service (IRS) for taxpayers, which can be found on the IRS website at **www.IRS.gov**. You can find IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, and IRS Publication 502, Medical and Dental Expenses (Including the Health Coverage Tax Credit), online, or you can call the IRS to request a copy of each at 800-829-3676.

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