

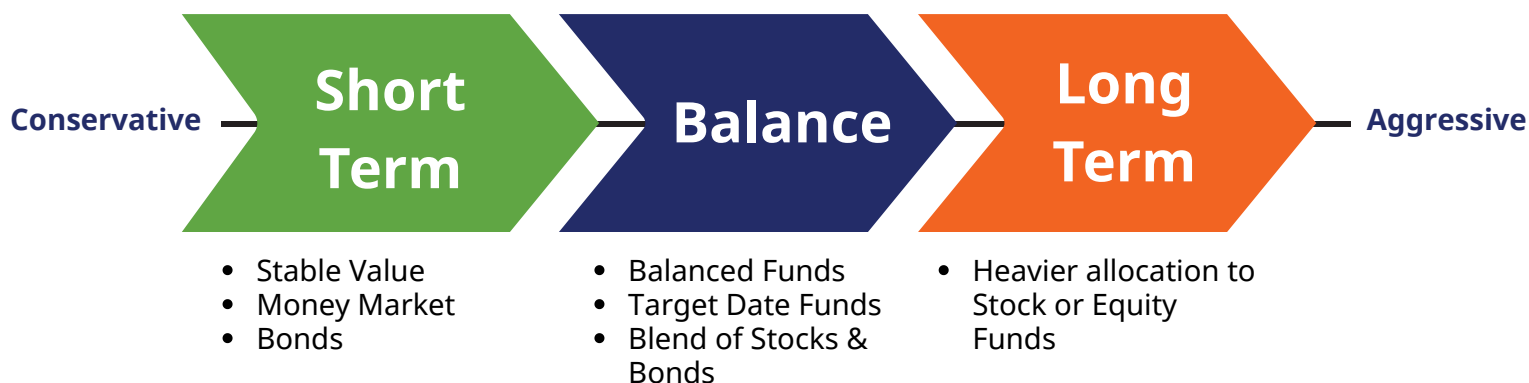


INVESTING YOUR HSA



One of the significant advantages of an HSA is that there is no specified time frame for requesting reimbursements; you can use it for medical expenses today or for years in the future. As HSA investments grow tax-free, consider your timeline and invest your account accordingly.

When you invest in an HSA, the approach you take may be very similar to the approach you use in a retirement account, such as a 401(k), 403(b), or IRA. The further you are from using the assets, the more aggressive of an investment approach you may have. On the other hand, if you are close to using the account balance, or if you are already actively spending from your HSA, you may want to consider a more conservative approach to your investment strategy.



HSA = Triple Tax Advantage!



Tax-Free Contributions

When you contribute to your HSA, you save on federal income taxes and often, state income taxes. You can potentially reduce your taxable income by a significant amount.



Tax-Free Growth

Earnings that the investments in your HSA make are tax-free. You do not owe taxes on them at any time. Some account holders treat their HSA like a retirement account, planning for a long-term time frame to accumulate assets for spending in their retirement years.



Tax-Free Distributions

Withdrawals taken from your HSA at any time for qualified medical expenses are never taxed. If you use your HSA for non-qualified medical expenses, you'll be subject to taxes, and a 20% penalty if you're under the age of 65. To avoid this potential taxation, keep your account invested until you have qualified medical expenses to claim.



First Dollar Investing

At BPAS, your Health Savings Account is invested from the very first dollar. Which means that you don't have to have a minimal balance before you can start investing.

Your plan has a default investment option that your assets will be invested in initially, typically a money market or stable value fund.

If you prefer a different investment option, you are able to complete a transaction at any time by logging into your account at u.bpas.com.