

# HSA Healthline

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## CEO CORNER

### *Let Your Voice Be Heard in This Election*

By Lynn Paulson, CEO

**T**his year's Presidential election may have significant impacts on the future enhancements of HSAs. I don't expect that either candidate will roll back any of the existing benefits of the current HSA/high deductible health insurance plans. However, I do think that depending on who's elected, future improvements could be impacted.

It seems that some people in Congress can't decide if they want to have health insurance consumers to have less or more say in their health care.

More than six million financially responsible Americans like yourself have chosen the HSA option for their health insurance plan. Many have done so because they want to have a larger say in how they spend their health care dollars. HSAs allow the insured to make prudent decisions in this area for themselves.

Some in Congress see it differently. They don't trust consumers to manage their

own money. For many in Congress, consumer-driven health care is either "too hot" or "too cold."

On one hand, critics say the account balances are too low to cover the higher deductibles, while on the other hand, the same critics argue that HSA balances are too high because patients are saving too much. It's confusing at best.

For some reason, HSA opponents (politicians, insurance companies and policy analysts) think they are in a better position to dictate how you should spend your money than you are. Essentially, they think you can't be trusted to effectively control your own health care decisions. I'm not sure their fiscal track record successes give them the credibility to do so. Many of them live and operate in a theoretical vacuum.

HSAs work for a lot of Americans. They are truly a viable option for

many who are interested in taking control of their own health care rather than letting the government or others dictate their health care choices.

In this election year, make your voices heard. Saying nothing could be viewed as indifference and an endorsement of the status quo—and that's certainly a recipe for disaster.



## *Retirement Savings Potential of HSAs*

By Lori Doele, Business Development Officer

**W**e all know that being sick or getting hurt today can be expensive, but what about tomorrow? The cost of health care is increasing at a faster rate than inflation and wages.

The good news is that there is a financial tool that can help with our future medical expenses, and potentially more. The Health Savings Account has been referred to as the individual retirement account for health care. Rightfully so, as the tax treatment of an HSA is similar to that of a traditional IRA. The account holder reduces his or her taxable income with contributions to the HSA and grows the funds with tax-free earnings. It is the manner in which the funds can be withdrawn where these two accounts differ.

Before we delve into this topic any further, let's understand one thing: you do not have to choose between an HSA and an IRA. Instead, utilize both of these long-term savings vehicles to build a comprehensive retirement nest egg.

The contributions you make to one of the accounts does not subtract from the contributions that can be made to the other account. The HSA allows you to save money you put away in your retirement accounts for use on future expenses other than medical expenses.

The differences between an HSA and IRA provide a strong argument for the HSA to be included as a piece of any person's comprehensive retirement plan. Here's why:

1. The money withdrawn from the HSA for qualified medical expenses is not taxable at any time.
2. Once the account holder turns age 65, the money that is withdrawn from the HSA for any reason other than qualified medical expenses is only taxable at the individual's ordinary income tax rate.
3. HSAs do not have a minimum beginning withdrawal age.

An HSA should be part of a comprehensive retirement plan. The advantages outlined above can enhance the standard of living for individuals by reducing the burden on current retirement savings that would be used for medical expenses. Think of the HSA as an IRA for health care, but one that offers so much more.



## *Hints to Having a Healthy Lifestyle*

By Amanda Rubis, HSA Advisor

There are the usual two keys to general health that you will hear: eat right and exercise. Sometimes the latter can seem daunting if you think you need a gym membership to get healthy. However, the following tips and ideas may help you get started on creating a healthy lifestyle.

First, don't believe that you need to exercise strenuously to get a good workout. Activities like taking your dog for a walk after work can have similar benefits. Play with your kids. Do something outside; enjoy the fresh air. Try doing some spring cleaning or yard work.

Secondly, turn off the television. Cutting down on your TV time will free up time for other, more productive activities.

Another idea: cook dinner. Planning and creating your own meals will not only keep you moving around, it also helps you control what you and your family eat.

Finally, keep a log of your activity and buy a pedometer. Track how far you go and the amount of time you exercise. Recent studies show that people who keep track of their exercise routine have a better chance of seeing it through and sticking to it.

Following these tips will help you get started on creating a healthier, more active lifestyle for yourself.

