COMMONLY USED HSA TERMS

- Post-tax . . . . You pay taxes on your contribution
- Tax-free or Non-taxed . . . . You do not pay taxes (for example, state, federal and/or FICA)
- Pre-taxed . . . . Before taxes are taken out
- Tax-deferred . . . . You pay taxes at a later date
- Tax-deductible . . . . You can deduct the amount from your taxable income

- Your HSA is the *only* opportunity you have to save and spend non-taxed money on qualified expenses without the limitations of a Flex Spending plan. If you're funding your retirement plan, knowing you'll need money to pay for future healthcare, dental, vision, or prescription drug costs, you're missing a significant savings opportunity. Every retirement program is taxed. The only exception? **Your HSA.**

  Not quite clear what that means? Think of it this way: Your 401(k), 457(b), and Traditional IRA are all *tax-deferred,* meaning you pay the taxes of the bracket you're in when you spend the money. Contributions aren't taxed now, but they are when you retire. Your Roth IRA is funded with *post-tax dollars, and non-taxed* when you spend the money. Your URS pension is taxed when you retire and start drawing your pension.
  If you're saving in a retirement plan for healthcare, you'll be spending taxed money.

- Your HSA contribution reduces your taxable income.
  State, federal and FICA taxes take about 30% from a typical county employee's paycheck. By making a payroll contribution to your HSA, you save the amount that otherwise goes towards taxes. If you put $3,000 annually in your HSA, you're saving about $900 that would have gone to taxes, and over 30 years, that's $27,000 in just tax savings.
  What does that mean? Reducing your taxable income helps you fund your HSA.

- Your HSA investments grow tax-free. Once you have over $2,100 in your Optum HSA, you can invest. It may not seem like a big benefit now, but look at it from this perspective: A typical American needs about $200,000 for healthcare in retirement, and investing your HSA balance can help you get there. Optum offers a variety of mutual funds, so you don't have to settle for the small interest percentage year after year.
  Sure, your retirement accounts allow for investments, but consider this:
  Growth is taxed: . . . . 401(k), 457(b), Traditional IRA
  Growth is non-taxed. . . . . Roth IRA
  Post tax . . . . URS Pension
  Why invest? Your HSA investments grow tax-free. Your 401(k), 457(b) and IRA don't.

Success in retirement depends on planning now. Include the whole cost picture when you're saving for your future, and include medical expenses in your plan.