

# 5 WAYS TO USE AN HSA IN RETIREMENT

**A Health Savings Account can be a valuable tool for retirement savings for your employees. Here's how.**

## 1. Help bridge the gap to Medicare

Generally, HSAs cannot be used to pay health insurance premiums, but there are two important exceptions: paying for health care coverage purchased through an employer-sponsored COBRA plan; and paying premiums while receiving unemployment compensation. This is true at any age but may be helpful for those who leave or lose a job before age 65.



## 2. Cover some Medicare costs



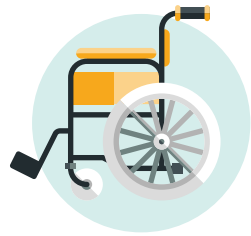
An HSA can be used to pay certain Medicare expenses, including premiums for Part B and Part D prescription drug coverage, but not supplemental (Medigap) premiums.

## 3. Pay for long-term care insurance

An HSA can be used to cover part of the cost for a qualified long-term care insurance policy. An HSA can be used to cover part of the cost at any age, but the amount increases with age.

## 4. Modify a home

An HSA may be used to pay for certain improvements or additions to your home with a Letter of Medical Necessity proving that the main purpose is medical care for you, your spouse, or dependents. This may include adding handrails or grab bars in bathrooms or elsewhere; moving or modifying electrical outlets and fixtures; modifying the hardware on doors; or widening doorways, among other changes.



## 5. Pay everyday expenses

While HSAs are intended to pay qualified medical expenses, there is no penalty for spending the money on other things starting at age 65. But you will have to pay income tax on those withdrawals, similar to 401(k) distributions.

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