Fidelity HSA®

Exploring the benefits of a high-deductible health plan and HSA



Agenda

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What are high-deductible health plans and HSAs?

02

Reasons to consider a high-deductible health plan and HSA

03

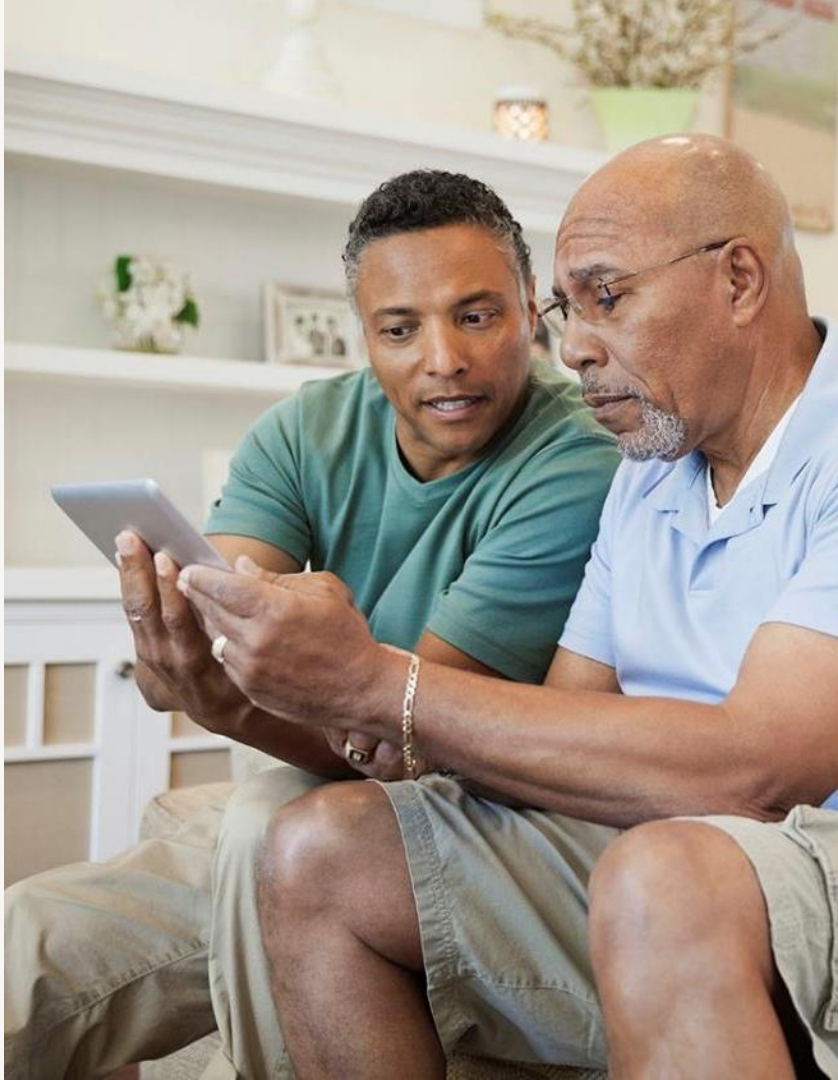
Using the Fidelity HSA®

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Next steps



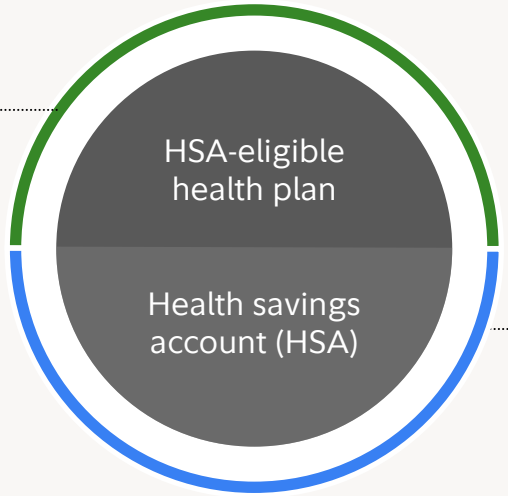
What are high-deductible health plans and HSAs?



Pair together to make a unique and powerful combination

HSA-eligible health plan

- Similar to other health plans
- Pairs with a health savings account (HSA)
- Generally lower health plan premiums
- Money saved on premiums can be put into the HSA



Health savings account (HSA)

- Is yours to keep even if you change jobs or retire
- Helps you save and pay for qualified medical expenses
- Pays for qualified medical expenses for you, your spouse, and your eligible dependents

How do high-deductible health plans compare with other plans?

What's the same?
Comprehensive coverage
No-cost preventive care
A network of doctors
Generally includes prescription drug benefits

What's different?
Works with an HSA to help pay for qualified medical expenses
Generally lower health plan premiums
HSA funds can be used to pay for qualified medical expenses tax-free[2] or save for the future

How a high-deductible plan can work for you and your family

	Single person	Young family	Older couple
Tax-advantaged HSA contribution for the year	**$1,550** • **$650** one-time employer contribution • **$75** monthly employee contribution	**$4,200** • **$1,200** one-time employer contribution • **$250** monthly employee contribution	**$7,850** • **$1,000** one-time employer contribution • **~$571** monthly employee contribution
Anticipated health care costs for the year not covered by the HSA-eligible health plan	**$500** Doctor visits; relatively healthy	**$3,000** Doctor visits due to seasonal illness; braces for daughter	**$4,000** Doctor visits; monitoring supplies and medicines to manage type 2 diabetes; husband will need new eyeglasses
Savings carried over for future use	**$1,050**	**$1,200**	**$3,850**

Qualified medical expenses as defined by the IRS

Includes out-of-pocket expenses such as:

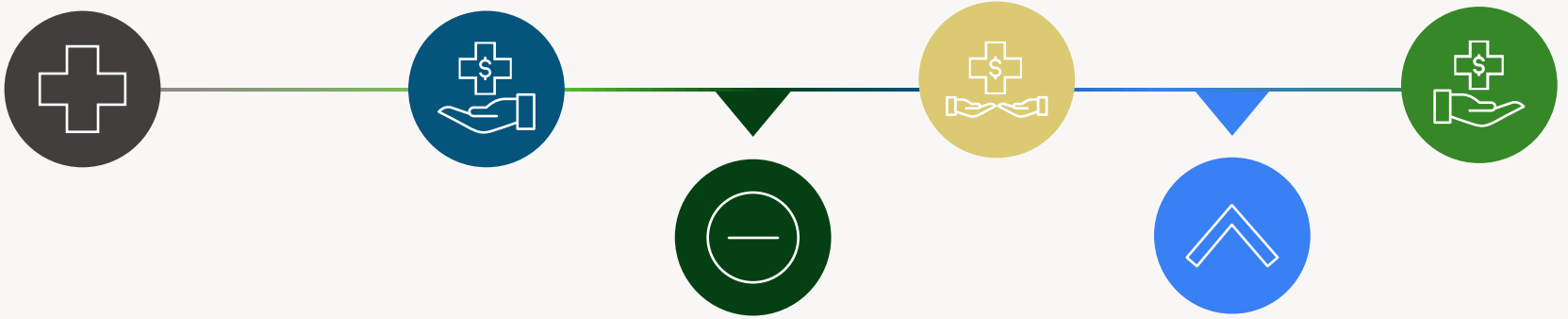
- Health plan deductible and coinsurance
- Most medical care and services
- Dental and vision care
- Prescription drugs
- Medicare premiums



IRS Publication 502:
Visit irs.gov/publications/p502 for a list of medical expenses that generally qualify for payment or reimbursement.

Your health plan

Deductibles and out-of-pocket maximum costs



Deductible

Single	$1,850
Plus 1	$3,500
Family	$4,900 (individual embedded deductible per family member = $3,400)

Out-of-pocket maximum

Embedded	
Single	$3,500
Plus 1	$7,000
Family	$8,700

For illustrative purposes only.

Reasons to consider a high-deductible health plan and HSA



Benefits of the high-deductible health plan and HSA



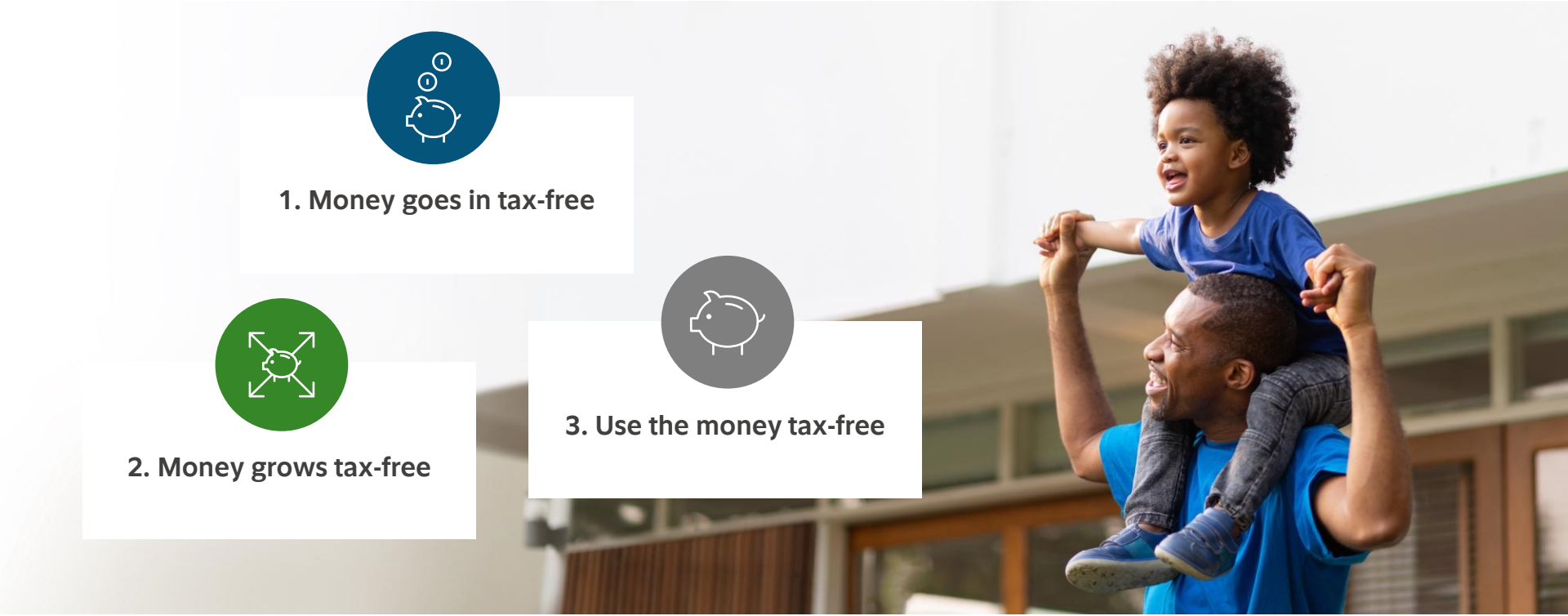
- Generally lower premiums
- You're in control
- The money is always yours

HSAs let you save money on taxes in 3 ways[2]

1. Money goes in tax-free

2. Money grows tax-free

3. Use the money tax-free



Employer contribution to your HSA



Diversified Communications makes a contribution into your HSA on the first paycheck of each month to help boost your savings.

Annual Contribution Amounts	
Single	$500
Plus 1	$1,000
Family	$1,500

True or false?

At the end of the year, you lose any unspent money in your HSA.

False

Unlike a flexible spending account (FSA), the money in your HSA is yours to keep. Spend it when you need it, or save it to pay for future qualified medical expenses.

Using the Fidelity HSA®



Get started with your Fidelity HSA®



- How it works
- Making contributions
- Paying for qualified medical expenses
- Investing
- Finding out if you’re eligible

How it works

Use for yourself, spouse, eligible dependents

Make pre-tax contributions

Contribute by check or online transfer

Pay for qualified medical expenses

Transfer money from another HSA



Making contributions: How much should I contribute?

Plan for out-of-pocket expenses

Consider contributing at least up to your deductible



Making contributions: IRS contribution limits

	2026		2027	
	Individual coverage	Family coverage	Individual coverage	Family coverage
Annual HSA contribution limits	**$4,400**	**$8,750**	**$4,500**	**$9,000**
Additional catch-up contribution*	$1,000	$1,000	$1,000	$1,000

The total of all contributions , including any made by your employer, cannot exceed the IRS limits.

*If age 55 or older, not enrolled in Medicare, and otherwise an eligible individual.

Paying for qualified medical expenses

Health & Benefits card

Online payment & reimbursement options



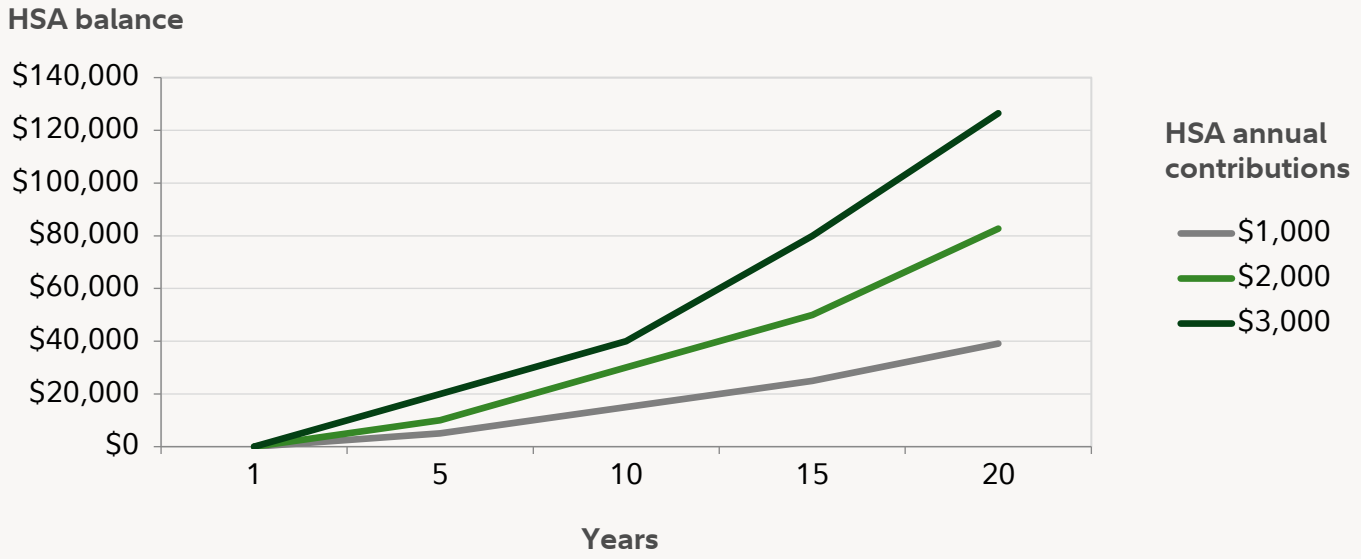
How much do you think an individual might spend on health care costs throughout retirement?[1]

$185,500



Please see corresponding footnote at the end of this these slides.

Investing: How HSA contributions can grow over time



This hypothetical example is illustrative and doesn't represent the performance of any security in a Fidelity HSA. 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 rate of return also come with risk of loss.

Investing: Considerations for your Fidelity HSA



For current qualified medical expenses

- Easy access
- Consider keeping enough in cash to cover your medical expenses



For future qualified medical expenses

- Think about paying for current health care expenses out of pocket
- Consider an investment strategy that's right for your time horizon and risk tolerance

Although Fidelity doesn't charge a separate investment account fee, commissions and other expenses associated with transacting or holding specific investments (e.g., mutual funds) may apply.

Refer to the fees and commission schedule for additional detail at: https://www.Fidelity.com/trading/commissions-margin-rates.
There may be funds that require a minimum amount to invest, but Fidelity does not require a minimum to start investing.

Finding out if you're eligible



- Have a valid US address (not a P.O. Box)
- Be enrolled in an HSA-eligible health plan
- NOT be covered by another non-HSA-eligible health plan
- NOT be claimed as a dependent
- NOT be enrolled in Medicare

Next steps



Tips to make the most of your health plan and HSA



Open or activate your Fidelity HSA

Consider contributing at least up to your deductible

Set up auto investing

Shop around for lower-cost “elective” health care services

Note: Your HSA must be open and activated in order to accept contributions, including any from your employer.

Education and resources

Call a Fidelity HSA service specialist:
800-544-3716

Go **online:**
Fidelity.com/HealthSavingsAccount

Get a **mobile reminder** to learn more:
Text **HSA to 343898**



System availability and response times may be subject to market conditions.

Important information

Investing involves risk, including risk of loss.

1. Estimate based on a single person retiring in 2026, 65 years old, with a life expectancy that aligns with the Society of Actuaries' RP-2014 Healthy Annuitant rates projected with the 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.

2. With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. See your tax professional for more information on the state tax implications of an HSA.

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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.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

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