

# Save or spend?

**Aetna HealthFund®**  
**Health Savings Account (HSA)**

Let it grow or pay  
as you go.  
Either way, you win.

**Your Aetna<sup>‡</sup> HSA gives you options. Save your HSA\* and build a tax-free fund for retirement. Spend it and reduce taxes on your income.**

## Save your HSA

- Use a regular payroll deduction, if available, to add pre-tax money to your HSA.
- When it's time to file taxes, claim any of your contributions made by check or electronic funds transfer as a deduction.
- When you visit your doctor, you will get a bill for the services.
- Save the money in your HSA and pay the bill out of pocket. Your HSA earns interest.
- There's no "use it or lose it" rule. So you can roll over the money in your account from year to year. The money continues to earn tax-free interest.
- Your HSA grows! Once your account reaches \$2,000, you may have the HSA investment service available. Your HSA can grow even more!
- And if you leave your job or move, you take the account with you.

## See the benefits of saving

Here's a very basic example of saving an HSA wisely.

How it works	How it adds up
Yearly contribution of \$2,000 for 10 straight years	\$20,000
Total estimated interest on these HSA contributions	\$3,617
<b>Federal income tax paid on contributions and interest</b>	<b>\$0</b>
Estimated HSA balance after 10 years	\$23,617
Federal income tax that would have been paid on the \$23,617 if it was not in an HSA	\$3,543
<b>Federal income tax savings over 10 years</b>	<b>\$3,543</b>

Assumptions:

- 2008 tax rates
- A 3 percent interest rate compounded annually
- A 15 percent marginal federal income tax bracket
- No HSA withdrawals made
- No accounting for other deductions, exemptions or state taxes

\*HSAs are not available to HMO members in Illinois.



**Tax savings — now  
that's to your advantage**

## How to wisely manage your own HSA

- Watch our video that explains your HSA. Go to [www.aetna.com/hsa/videopre](http://www.aetna.com/hsa/videopre)
- Explore how your HSA can grow by using our HSA Savings Calculator tool. It's available on your secure Aetna Navigator® website at [www.aetna.com](http://www.aetna.com)

## Spend your HSA

- You contributed \$1,000 in your HSA using pre-tax dollars through payroll deduction.
- You get a \$2,000 bill from your doctor.
- You then decide to deposit an additional \$1,000 to your HSA by check or electronic funds transfer and you can claim this \$1,000 as a deduction when you file your taxes.\*\*
- Pay the \$2,000 bill from the HSA using your Aetna HSA Visa® debit card.\*\*\*
- If needed, keep contributing to your HSA during the year, up to the IRS limit, to pay for qualified health care expenses and save on your taxes.

## See the benefits when spending

Here's a simplified example of spending an HSA wisely. It shows a typical unmarried tax filer:

### How it works

Your current HSA balance	\$1,000
<b>Taxes you saved on your current HSA balance</b>	<b>\$150 (at 15% tax rate)</b>
You receive \$2,000 medical bill from your doctor	
You decide to deposit additional \$1,000 by check (or electronic funds transfer) — your new HSA balance	\$2,000
<b>Your estimated tax savings on this \$1,000 contribution (claim as a deduction when you file your taxes)</b>	<b>\$150 (at 15% tax rate)</b>
You withdraw \$2,000 tax-free money to pay your doctor	
Medical expenses you paid with after-tax money	0
<b>Total taxes you saved using your HSA</b>	<b>\$300</b>

Assumption: A 15 percent marginal federal income tax bracket.

\*\*Contribute up to the IRS maximum.

\*\*\*Reimbursement from an HSA is limited to the amount of money available in the account.

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