

# HSA Bank Investment Program Overview



September 18, 2019



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# Get to Know Your HSA

## **Did you know you can invest your HSA Bank savings?**

Your HSA Bank self-directed investment account can help you save for future medical and retirement expenses, and can complement the interest-earning HSA Cash Account. And just like the Cash Account, investment balances carry over from year to year and accumulate in a tax-deferred manner.

# The Retirement Savings Gap



A recent study by Health View Services estimates a healthy 65-year-old couple retiring today can expect to pay over \$400,000 (not adjusted for inflation) in healthcare expenses alone during retirement when taking into account Medicare Parts B and D, supplemental insurance, dental and vision insurance, deductibles, copays, and other out-of-pocket healthcare costs.

# The Benefits of Health Savings Accounts



HSA's are triple tax advantaged. Funds are contributed pre-tax and grow tax-deferred. Withdrawals are made tax-free when funds are used for IRS-qualified medical expenses.



There is no use it or lose it clause with HSA's. Funds roll over year to year and account holders retain the money if they leave their employer.



HSA funds can be invested in mutual funds, stocks, and other linked investment options as part of a long-term retirement strategy.



At age 65, HSA's can be used to pay for Medicare Parts A (when applicable), B (individuals may reimburse themselves for premiums deducted from Social Security), C (Medicare Advantage), and D (prescription drug coverage), tax-free and penalty-free.



Qualified long-term care insurance premiums can be reimbursed from an HSA tax-free up to federal tax deductible limits (increases with age).



HSA funds can be used to reimburse medical expenses incurred any time after the HSA is established, even in retirement, many years after an expense has occurred.



Anyone can contribute to the HSA on behalf of the account holder, including an employer or extended family member.

# HSA Contribution Limits

## HSA qualified insurance

2020	Single	Family
Minimum Deductible	\$1,400	\$2,800
Maximum Out-of-Pocket	\$6,900	\$13,800

**HSA** *Eligible for IRS-qualified medical expenses not covered by health plan*

2020	Single	Family
Maximum Contribution	\$3,550	\$7,100
Catch-Up Contribution (Age 55+): \$1,000		

*Deadline to contribute for any tax year is the tax filing deadline for that year without extensions.*

# Self-Directed Investment Options for HSAs



## Devenir Guided Portfolio Self-Directed Investment Program

- Pre-selected, no-load mutual funds covering a range of asset classes
- HSA Guided Portfolio tool used to select investment elections in line with your individual needs
- Quarterly performance review of mutual fund selections by SEC-registered investment advisors
- Devenir will charge a quarterly asset based fee which is calculated on the amount invested; no commission on investment trades



## TD Ameritrade Self-Directed Brokerage Option

- Stocks/Bonds/ETFs/Options
- Thousands of mutual funds
- Four ways to place trades: website, telephone, mobile device, and broker
- Integrated online access to trading, balance information, and much more through HSA Bank's Member Website
- Trading fees may be applied

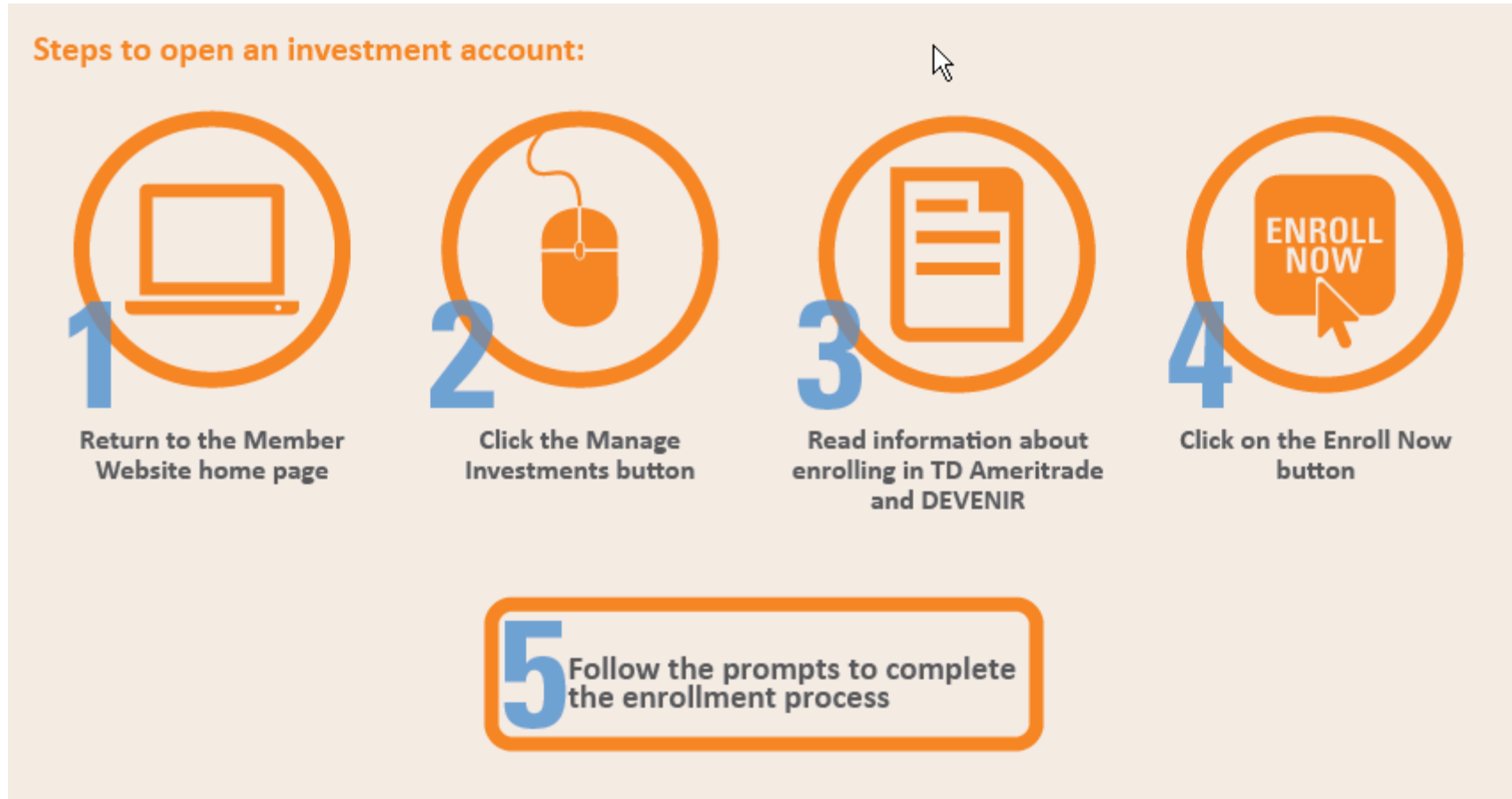
# Program Comparison

Feature	Devenir	TD Ameritrade
<b>Investment Type Offered</b>	Low cost, no-load mutual funds	Stocks, bonds, ETFs, and thousands of mutual funds
<b>Monthly Fees to Access Program</b>	No	No
<b>Trading Fees</b>	No trading fees apply	Fees may apply based on type of trade
<b>Quarterly Asset-Based Fee</b>	Yes*	No
<b>Ability to Auto-Sweep from Cash Account</b>	Yes	Yes
<b>Ability to set investment elections</b>	Yes	No
<b>Investment Tools and Resources Provided</b>	Yes	Yes
<b>Mobile Access to Trades</b>	No	Yes

\*Devenir will charge a quarterly asset based fee which is calculated on the amount invested and deducted pro rata from the investment account: no commission on investment trades.

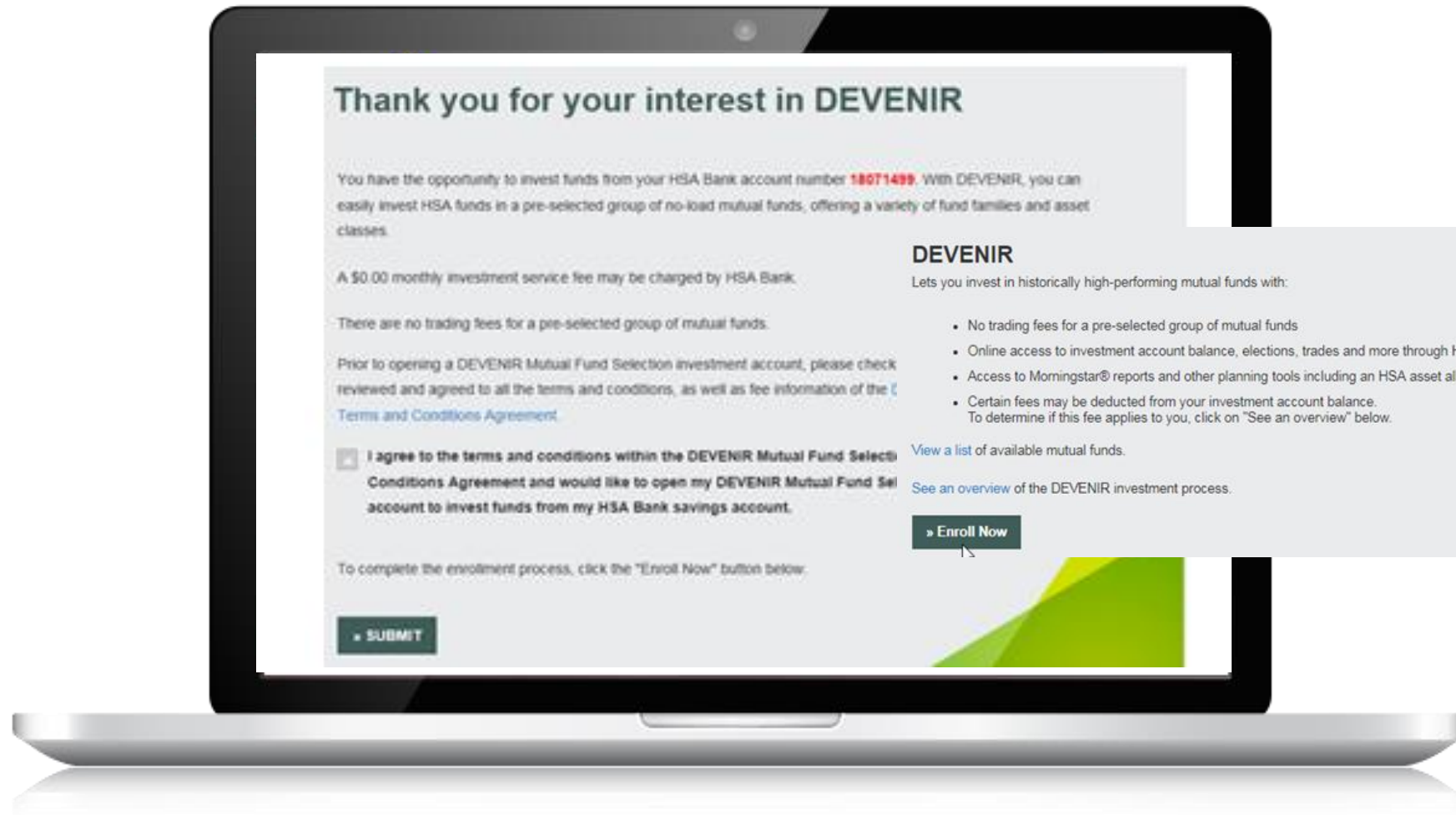


# How Do I Open An Investment Account?

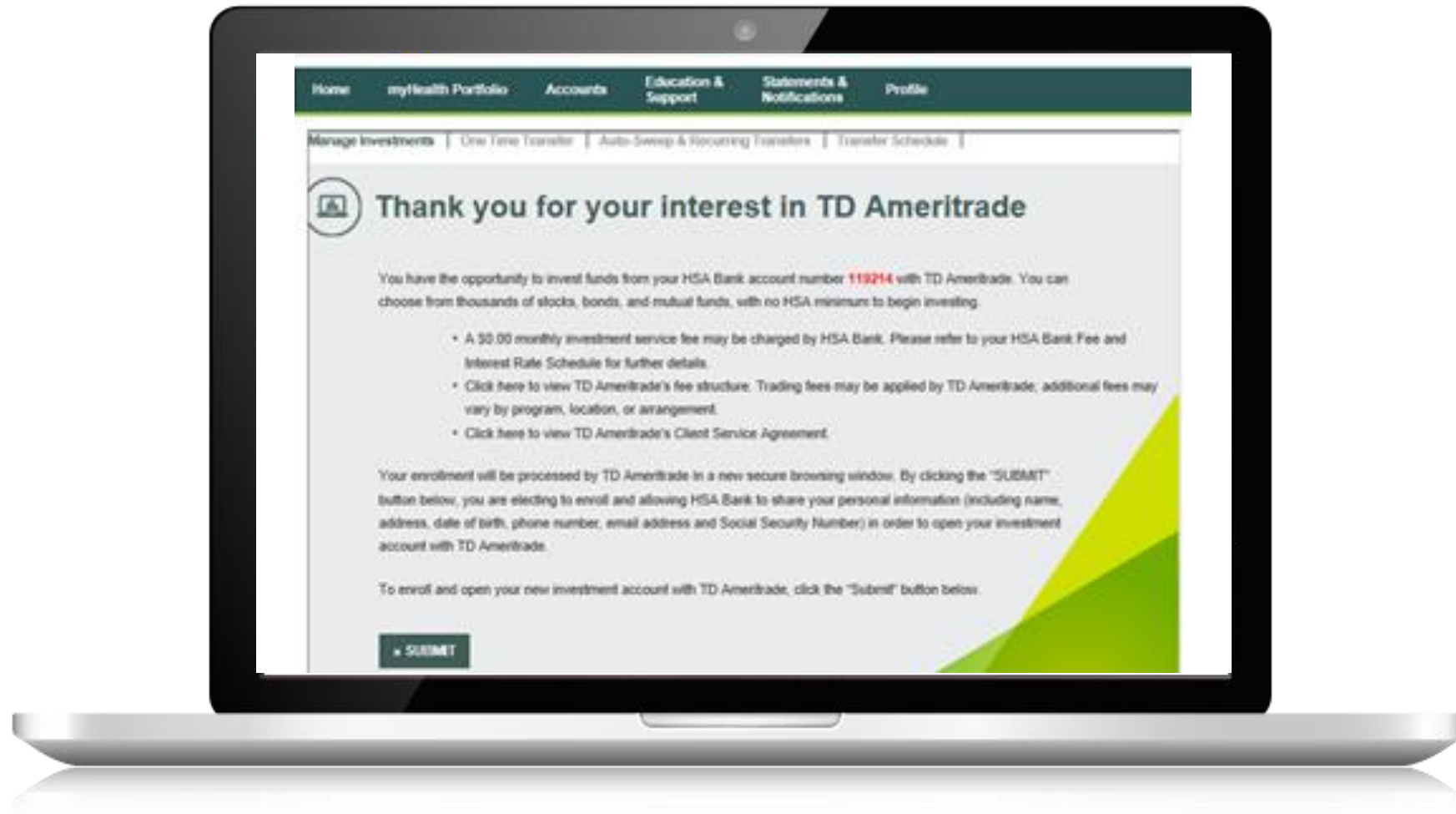


*Please note: When enrolling in either of the investment programs (TD Ameritrade or Devenir), consumers must agree to the associated investment account terms & conditions. You may begin investing once you have a minimum of \$1,000 in your HSA Bank cash account. Only HSA funds above \$1,000 in your HSA Bank cash account can be transferred to your investment account.*

# How Do I Open An Investment Account with Devenir?



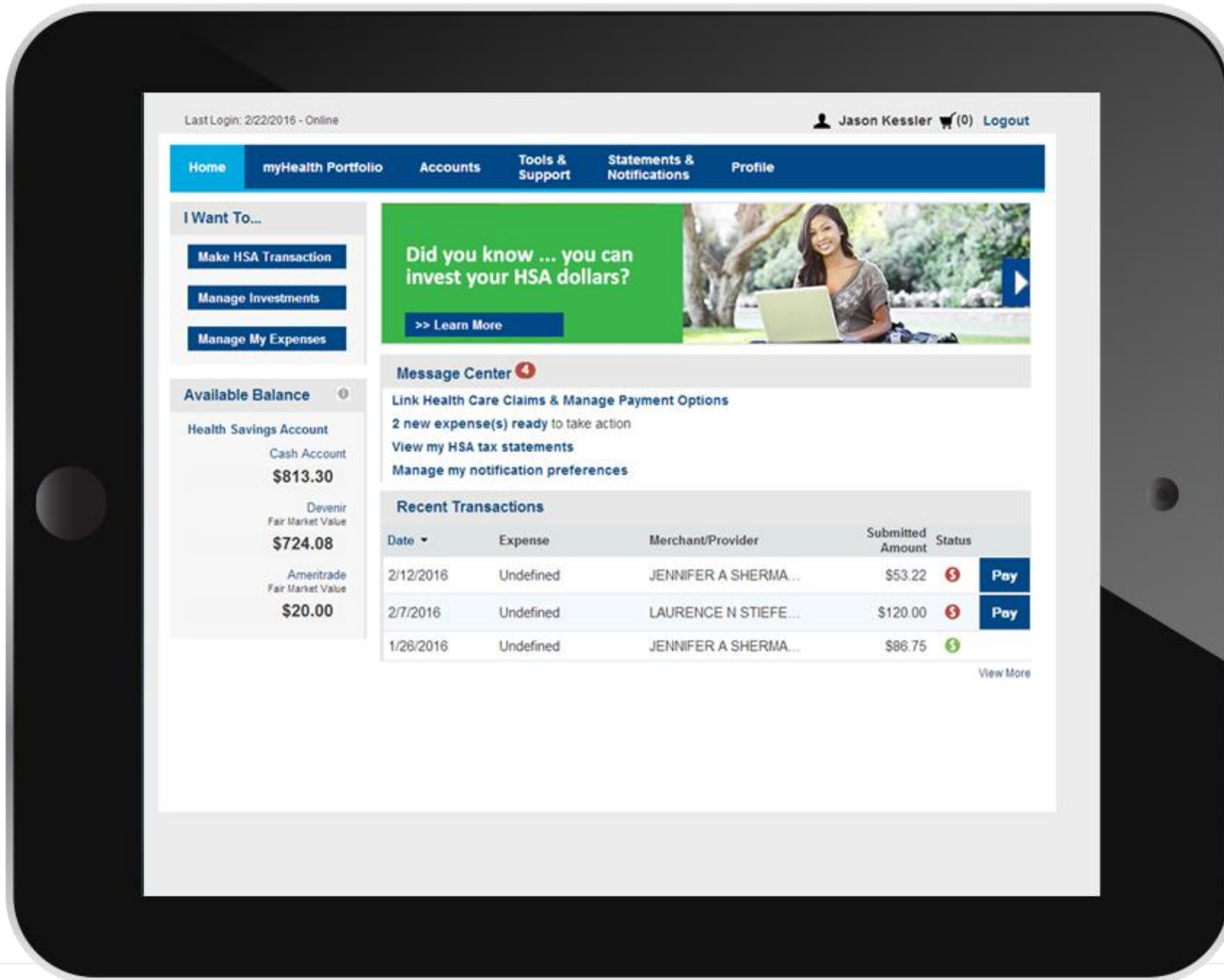
# How Do I Open An Investment Account with TD Ameritrade?



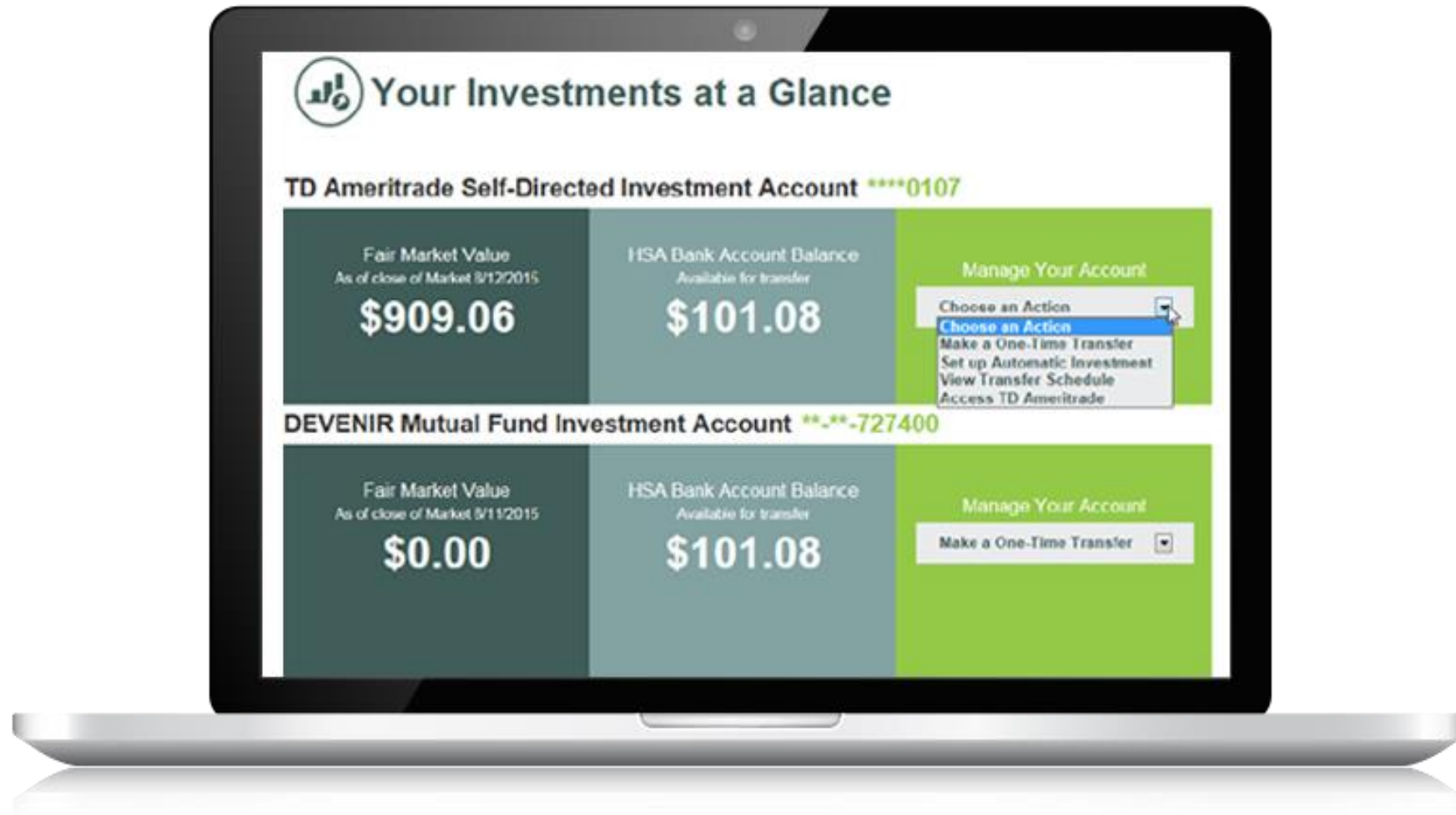
# Managing Existing Self-Directed Investment Accounts



# HSA Bank Homepage

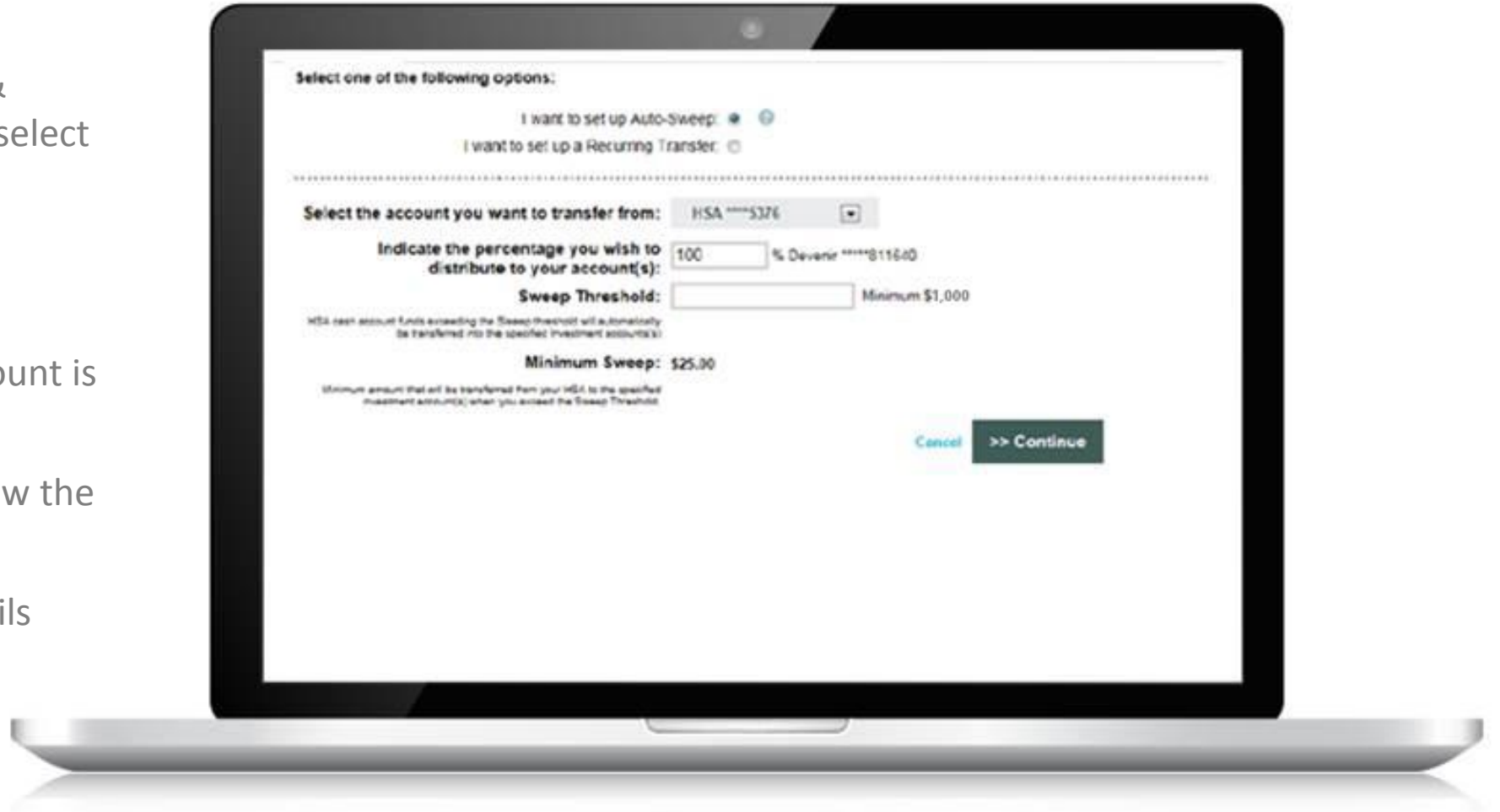


# Investments at a Glance



# Auto-Sweep Setup

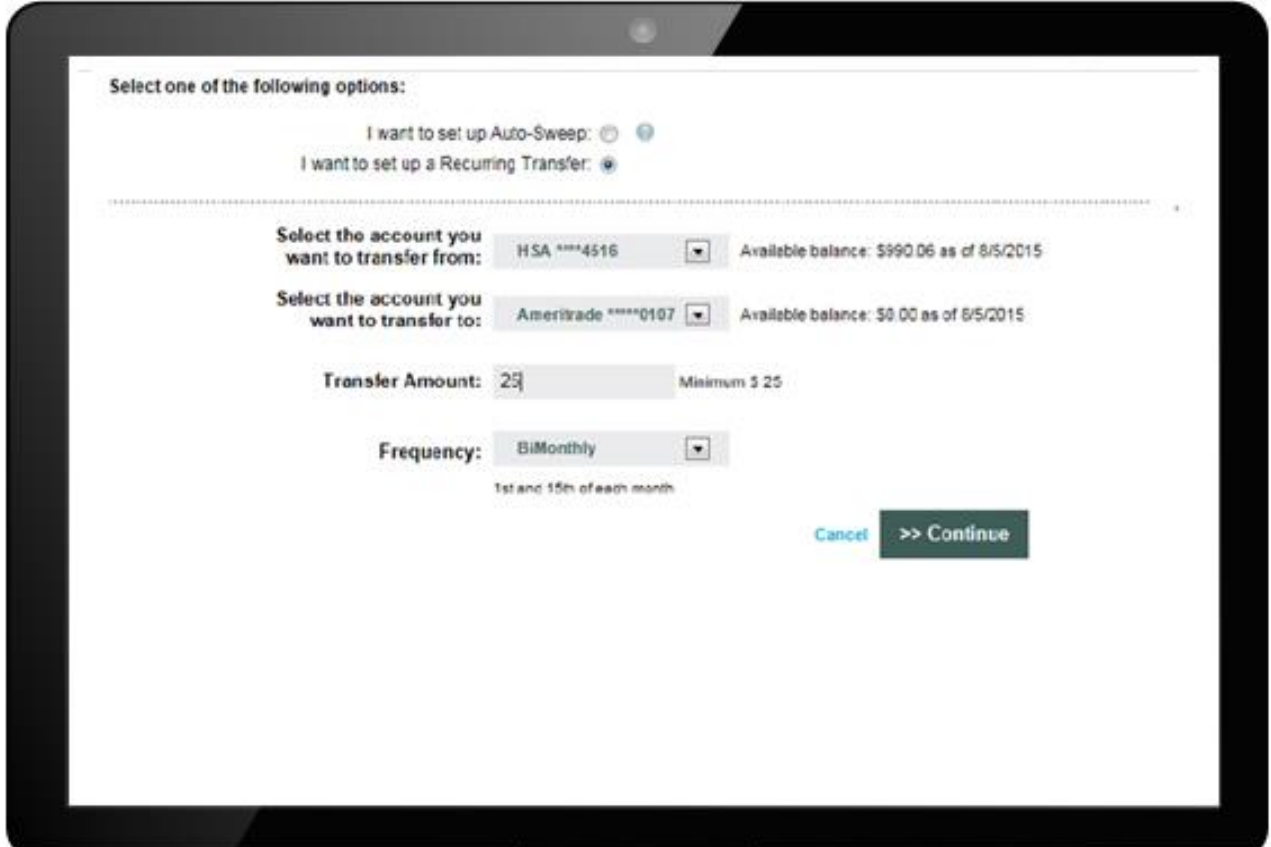
- Under the “Auto-Sweep & Recurring Transfers” tab, select the “Auto-Sweep” button
- Enter threshold amount (minimum is \$1,000)
- The minimum sweep amount is \$25.00
- Click “Continue” and follow the prompts
- Confirm the transfer details when asked



**Please Note:** If you need to transfer funds back to your cash account to pay for IRS-qualified medical expenses, you must temporarily suspend your sweep or the funds will be swept back into the investment account.

# Recurring Transfer Setup

- Under “Auto-Sweep & Recurring Transfer” tab, select the “Recurring Transfer” button
- Select desired accounts to set up the recurring transfer
- Specify transfer amount
- Select frequency
- Click “Continue”
- You will be asked to confirm the transfer details



The screenshot shows a web form for setting up a recurring transfer. At the top, it asks to "Select one of the following options:" with two radio buttons: "I want to set up Auto-Sweep:" (unselected) and "I want to set up a Recurring Transfer:" (selected). Below this, there are two dropdown menus for account selection. The first is labeled "Select the account you want to transfer from:" and is set to "HSA \*\*\*\*4516" with an available balance of "\$990.06 as of 8/5/2015". The second is labeled "Select the account you want to transfer to:" and is set to "Ameritrade \*\*\*\*\*0107" with an available balance of "\$0.00 as of 8/5/2015". The "Transfer Amount:" is set to "25" with a "Minimum 3.25" note. The "Frequency:" is set to "BiMonthly" with a note "1st and 15th of each month". At the bottom right, there are "Cancel" and ">> Continue" buttons.

**Please Note:** A minimum balance of \$1,000 must be kept in your HSA at all times.





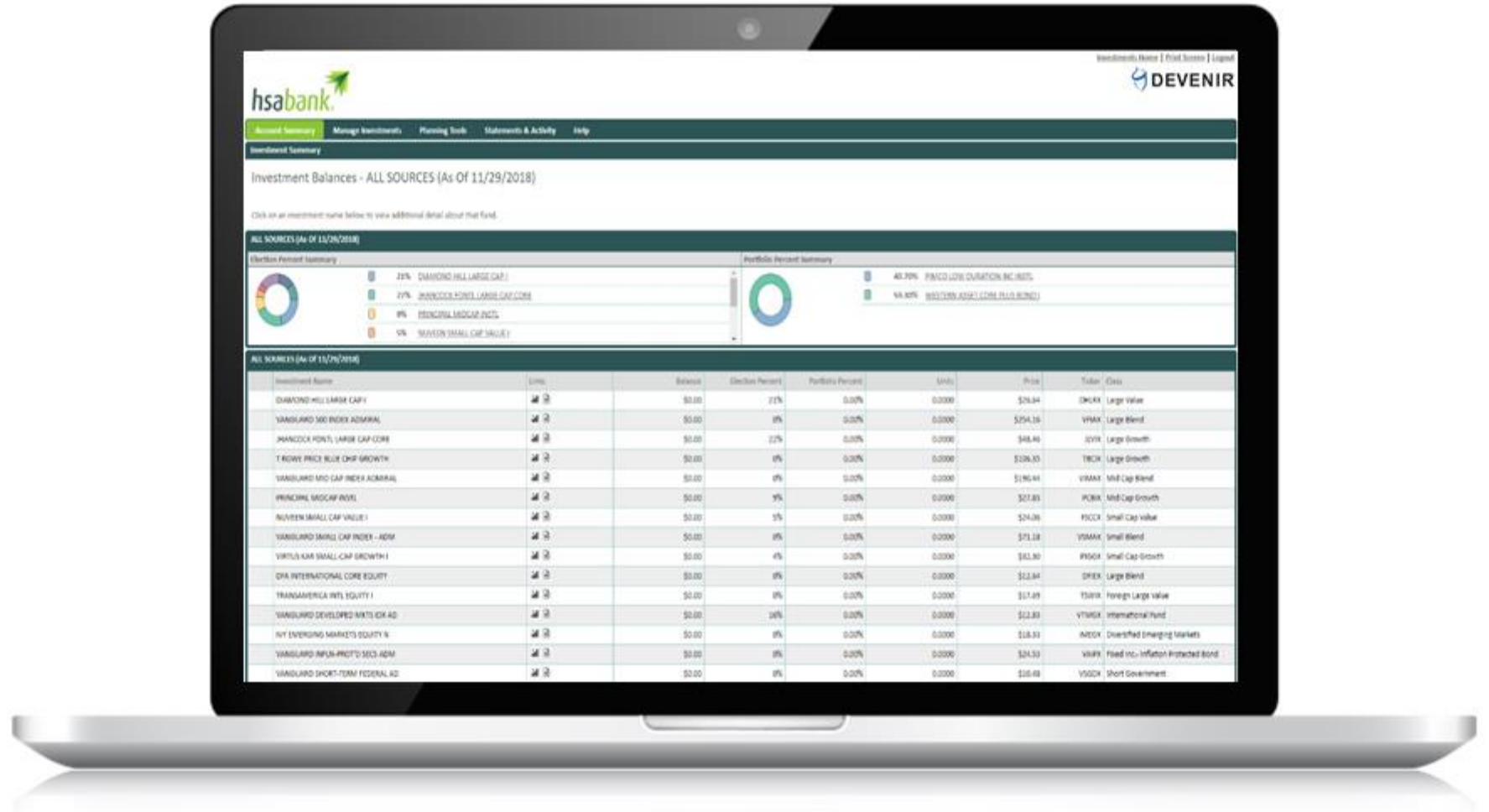
# Devenir Investment Account – Home Page

- Account Summary
- Manage Investments
- Planning Tools
- Statements & Activity
- Help



# Account Summary – Investment Summary

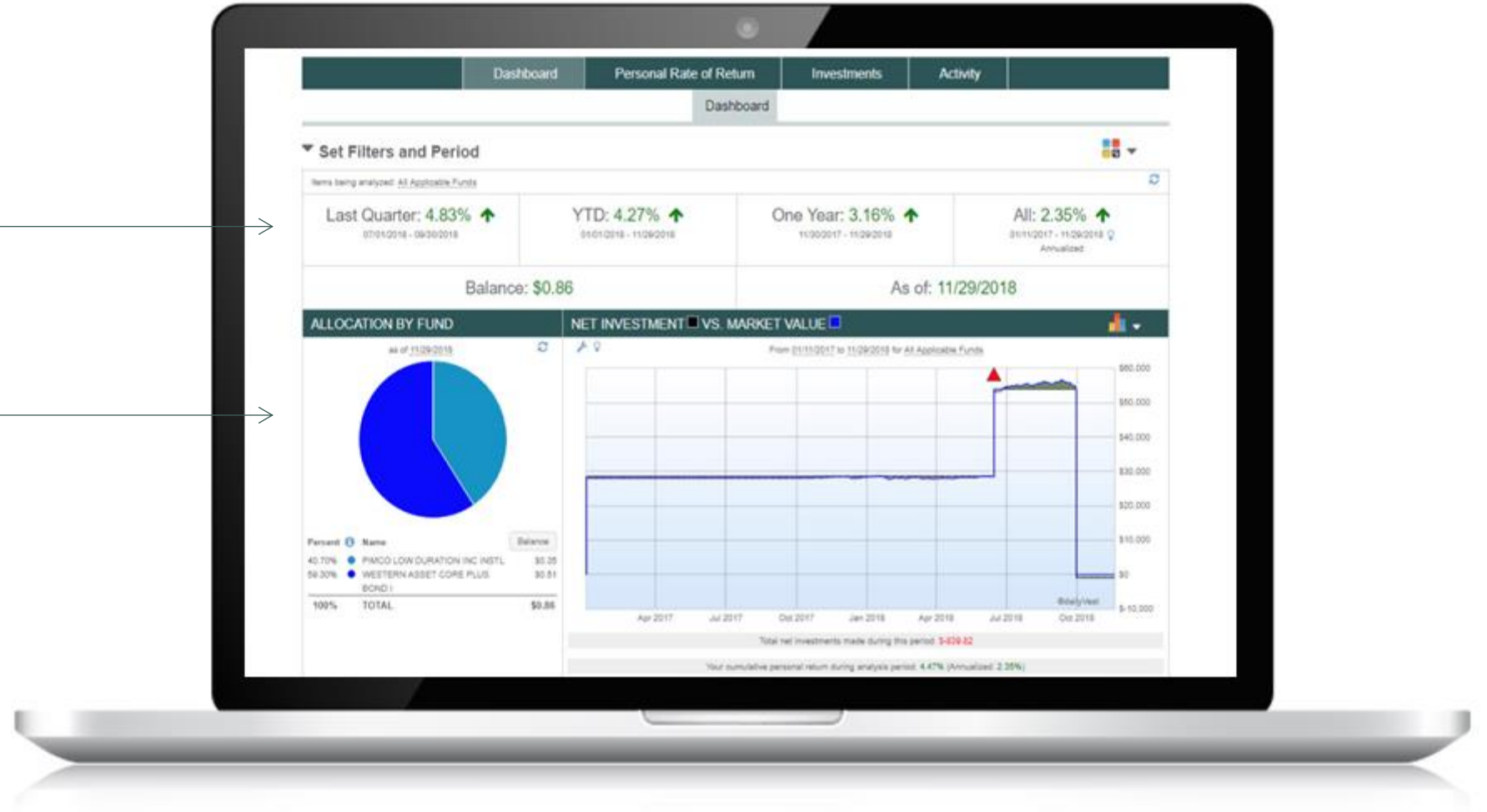
- Graphical view of Election Percent Summary
- Graphical view of Portfolio Percent Summary
- Graphical view of Asset Allocation
- Detailed view



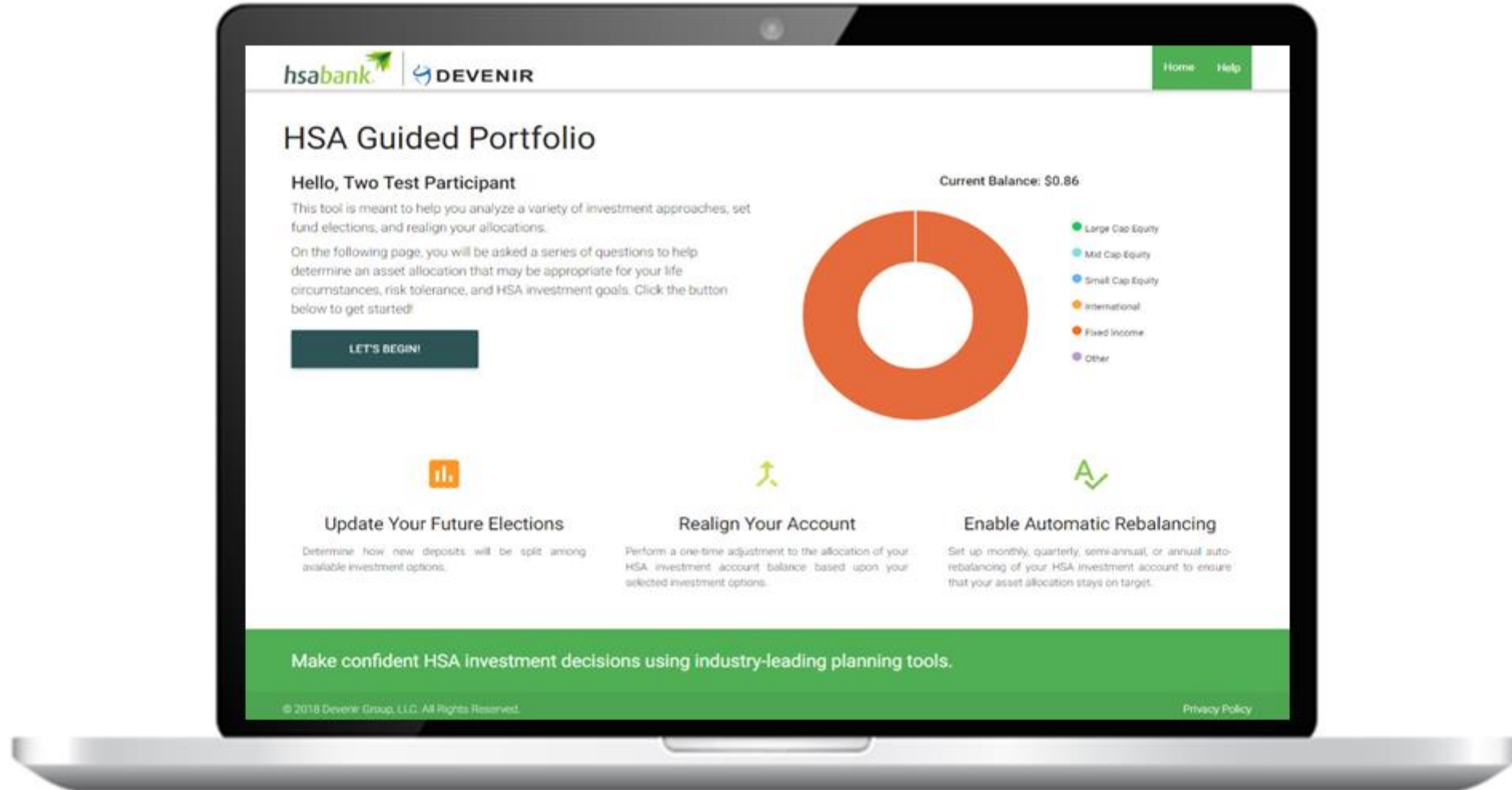
# Devenir Personal Performance – My Performance

Balance History

Portfolio Summary



# Devenir Planning Tools – HSA Guided Portfolio



# Devenir Planning and Advice – HSA Asset Allocation Tool

The screenshot shows the 'HSA Investment Planner' interface. It includes input fields for Age (35), Current HSA Balance (\$5K), Anticipated Annual HSA Contributions (\$3K), General Health (Average), Estimated Annual Out-of-Pocket Healthcare Costs (\$5K), Risk Tolerance (Low), and Likelihood of selling investments (Very Likely). A 'Guided Allocation' donut chart shows the following breakdown: Large Cap Equity (33%), Mid Cap Equity (9%), Small Cap Equity (8%), International (10%), and Fixed Income (40%). A 'CALCULATE' button is visible at the bottom right.

The screenshot shows the 'Update Your Investment Account' interface. It features a 'Guided Allocation' donut chart and a table of investment funds. A 'RECALCULATE' button is present. Below the table, there are 'Resources & Research' links and a 'Customize Your Worksheet Updates' section with checkboxes for 'Set New Elections', 'Realign My Portfolio', and 'Enable Auto Rebalancing'. A 'REVIEW UPDATES' button is at the bottom right.

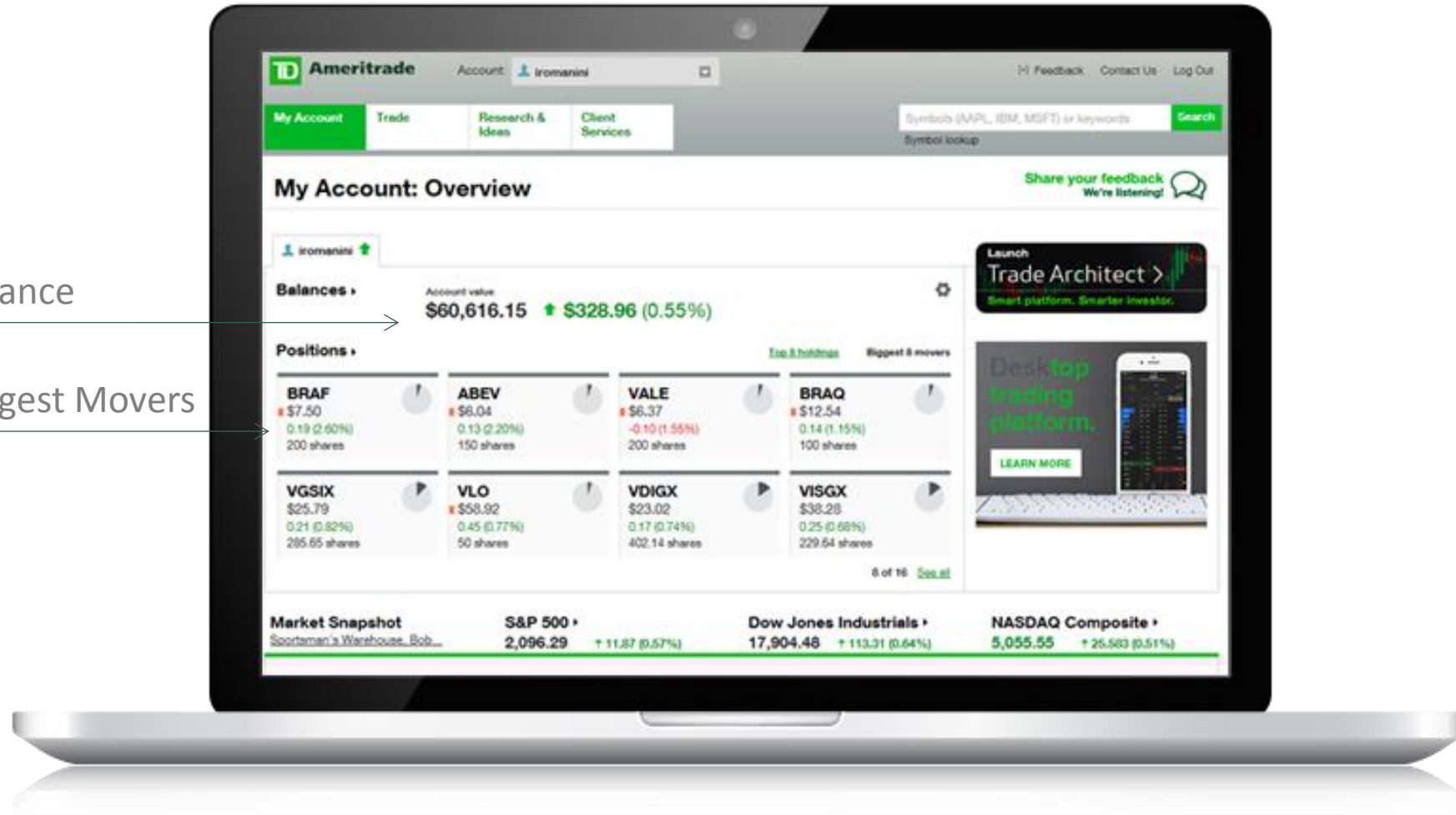
Fund Name	Ticker	Current	New %
Diamond HR Large Cap I	DHLRX	0%	You've Input 0% of 33%
Vanguard 500 Index Admiral	VFIAX	0%	You've Input 0% of 33%
JPMorgan Large Cap Equity I	JLVCX	0%	You've Input 0% of 33%
T. Rowe Price Blue Chip Growth I	TRCGX	0%	You've Input 0% of 33%
Mid Cap Equity			You've Input 0% of 9%
Small Cap Equity			You've Input 0% of 8%
International			You've Input 0% of 10%
Bond / Fixed Income			You've Input 0% of 40%
Other			You've Input 0% of 0%

TD Ameritrade

# Home Screen

Balance

Biggest Movers





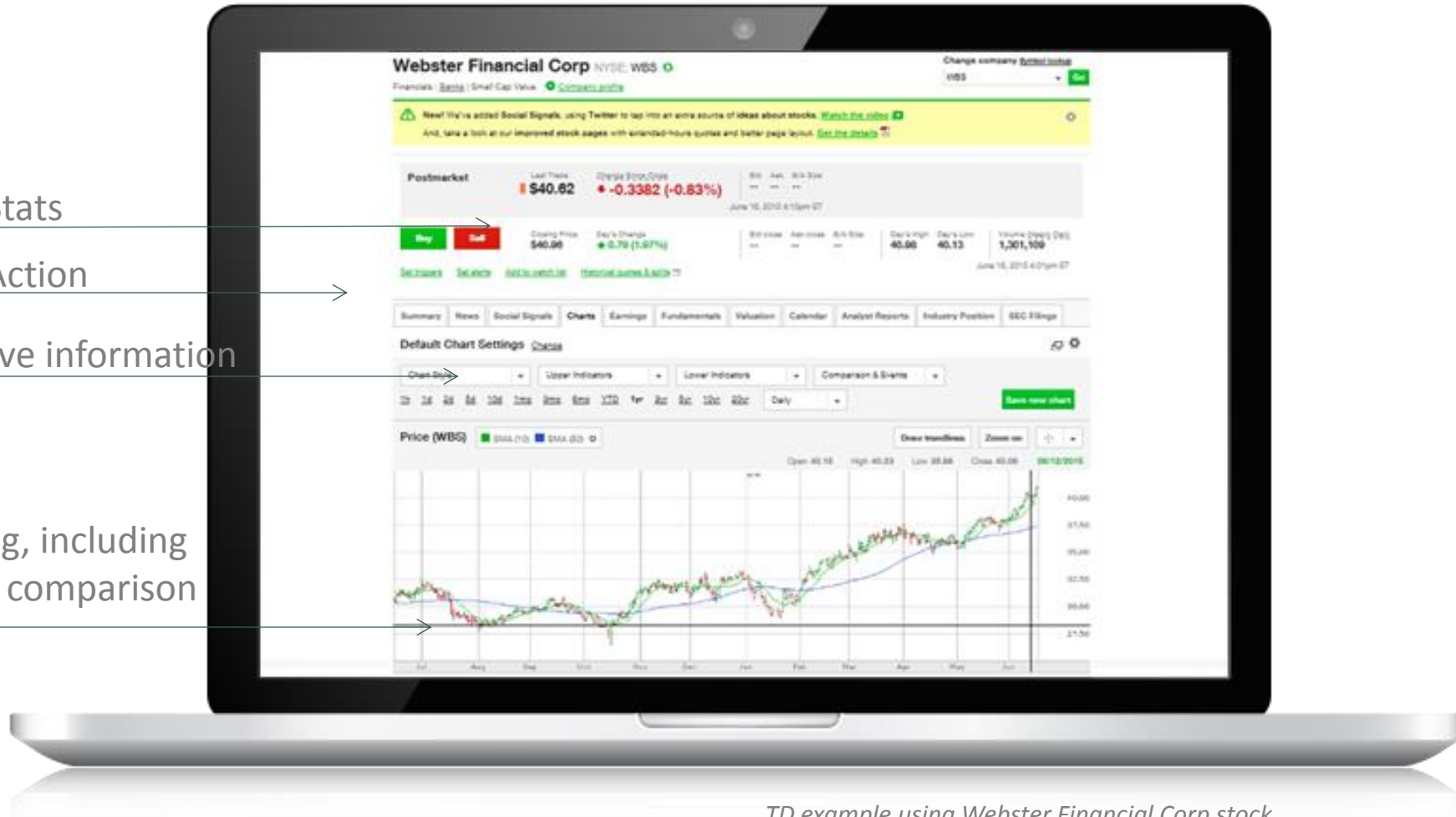
# Research and Ideas - Charts

Quick Stats

Quick Action

Extensive information

Charting, including market comparison

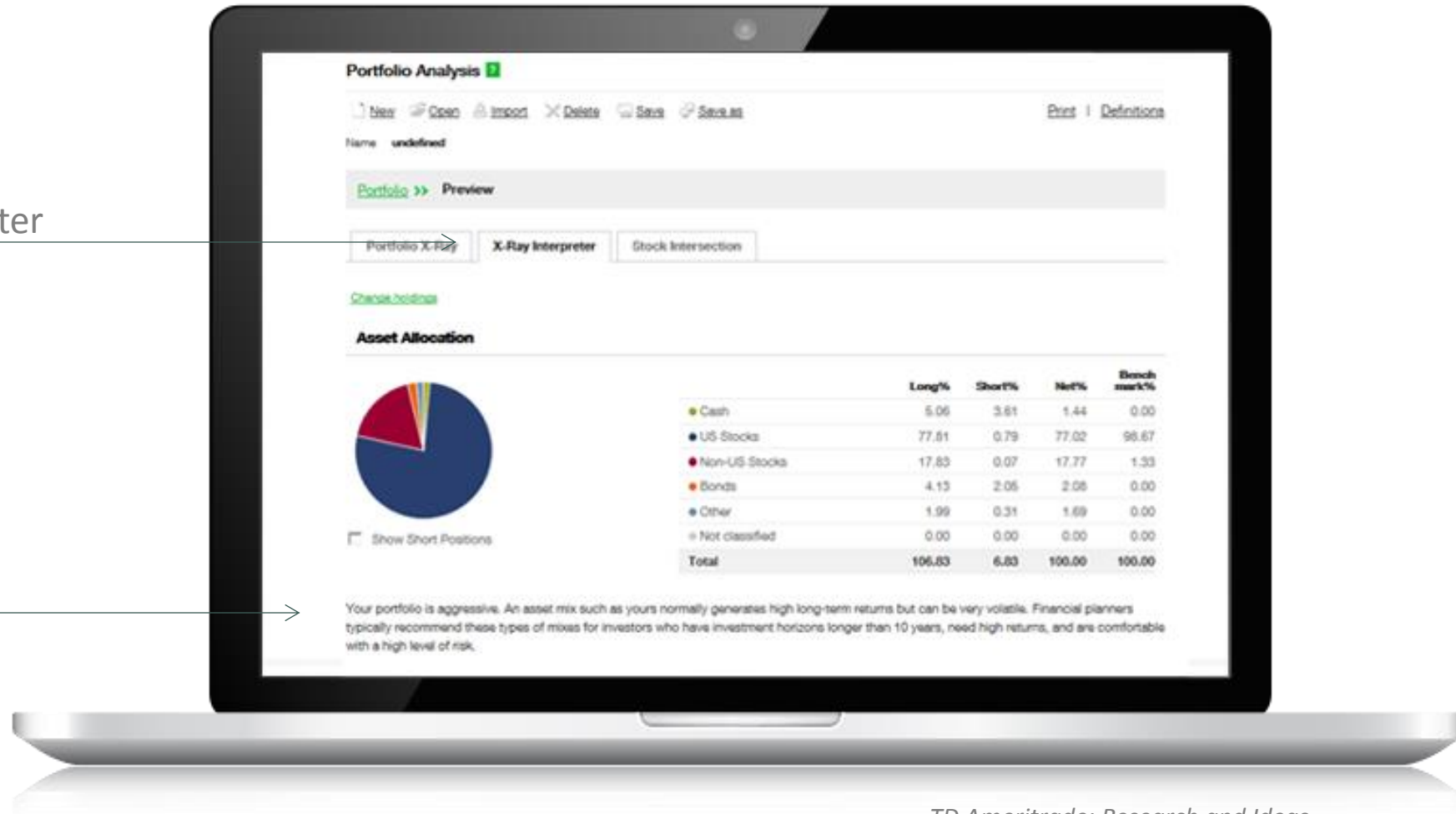


TD example using Webster Financial Corp stock

# Research and Ideas – Mutual Funds, X-Ray, X-Ray Interpreter

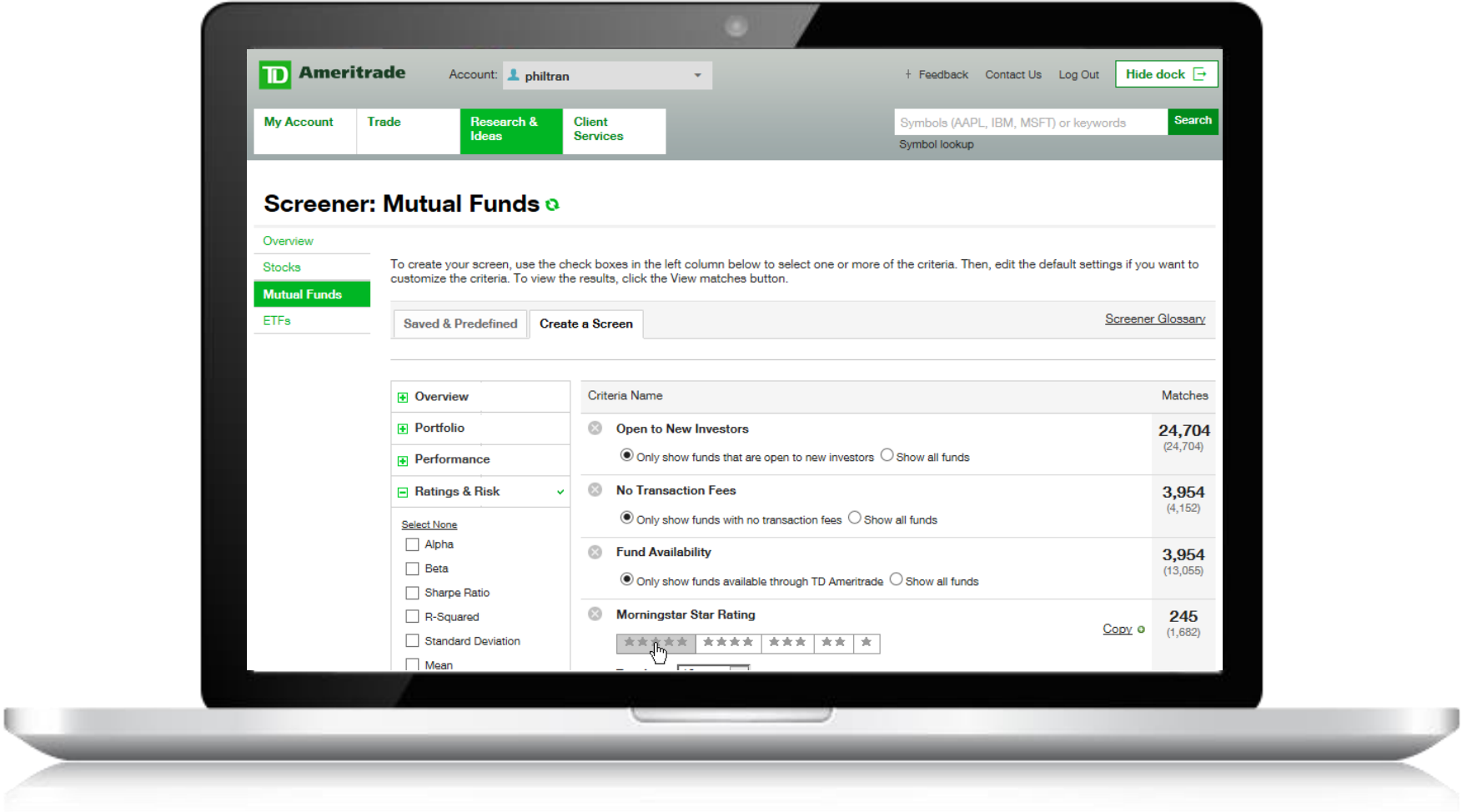
X-Ray Interpreter

Analysis



TD Ameritrade: Research and Ideas

# Select from a List of No-Load Mutual Funds





THANK YOU