Voya Perspectives | Orange Paper

Amplify the power of HSAs to boost health care savings – now and in retirement

How Health Savings Accounts can bridge the health and wealth gap and help improve financial outcomes for employees

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Abstract

Many American workers today may not be saving adequately for retirement, due to the trend of rising health care costs, as well as the fact that health care needs generally increase as one ages.

One solution may already be a part of the benefits offerings in many organizations — Health Savings Accounts (HSAs). HSAs are uniquely positioned to help pay short-term health care expenses today and help close the longer-term retirement health care savings gap.

HSAs offer many opportunities for both employers and employees. For employers, driving positive HSA outcomes starts with thoughtful program design, and employers may wish to use the same care and attention to detail as used when designing a retirement plan. This paper offers seven best practices to help create a successful HSA program such as developing a multi-year strategy with enrollment goals, measurement systems, feedback loops, and course corrections.

Research shows employees need additional education and decision support around HSAs. Many American consumers do not have a good grasp on how HSAs work and how the accounts can help them meet their long- or even short-term health savings needs. Employees are looking to their employers for help. But, employers do not need to go it alone. Employers can collaborate with intermediaries — such as benefits brokers, financial professionals and consultants — and workplace benefits and savings providers to implement an integrated benefits program designed for a diverse employee population.

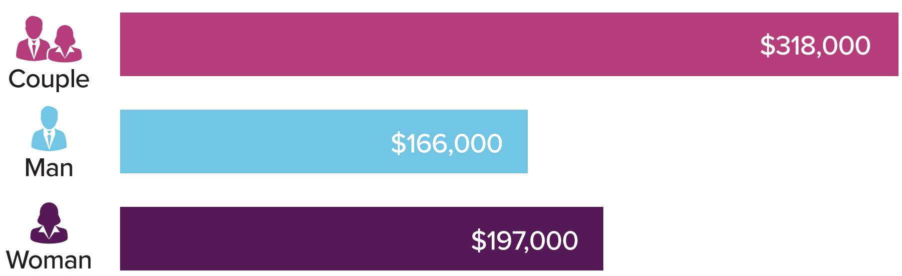
To help employees close the retirement savings gap, it may be beneficial to help them see the big picture around workplace benefits and savings. Rather than viewing HSAs in a silo as strictly a health benefits solution, using them to bridge the health and wealth gap can help improve financial outcomes for employees. Their financial picture can be brought into greater focus with the use of technology to provide employees with decision-making support — with the ultimate goal of helping to get workplace benefits and savings in sync.

Employees face a widening retirement health care savings gap

Many American workers today may be falling short of their retirement savings goals. A big contributor to this potential retirement challenge is the ever-increasing cost of health care. Consider the dynamic of retirees who depend on their savings for a portion of their retirement income. As they age, their savings balances are drawn down. Additionally, the longer retirement lasts, the greater the likelihood that health care needs will increase. Not only will retirees face more health care needs, but their expenses also will likely increase given inflation and rising health care costs.

According to the Employee Benefit Research Institute (EBRI), to have a 90% chance of meeting health care spending needs throughout retirement, a man will need $166,000 in savings and a woman will need $197,000. Couples will need $318,000, compared with 2018, when couples needed an estimated $296,000. This is just for health care costs, including supplemental Medicare premiums, deductibles, out-of-pocket expenses and long-term care.[1]

Retirement savings required to have a 90% chance of meeting health care expenses in retirement[1]



Many employees simply don't have enough savings to cover health care expenses and daily living expenses in retirement. At year-end 2020, employees in their 60s had an average 401(k) plan balance of just $350,000.[2] If health care expenses potentially consume about half of those savings, it may severely impact their ability to meet other financial needs in retirement.

While much attention has been focused on this problem by legislators, regulators, financial professionals and plan sponsors, the challenge persists. One solution may already be a part of the benefits offerings in many organizations — Health Savings Accounts. HSAs are uniquely positioned to help close the retirement health care savings gap.

[1] EBRI, *Projected savings Medicare beneficiaries need for health expenses remained high in 2022,* February 2023.

[2] EBRI, *401(k) plan asset allocation, account balances, and loan activity in 2020,* November 2022.

HSAs offer unique retirement planning advantages

Tax advantages of HSAs compared to qualified retirement plans and IRAs

Savings vehicle	Taxation of contributions	Taxation upon withdrawal
HSA*	**No income tax** **No FICA and FUTA taxes**	**Tax-free if used for qualified medical expenses**
Traditional (non-Roth) IRA and qualified retirement plan	**No income tax** **FICA and FUTA taxes are imposed**	**Taxed as ordinary income**
Roth IRA and Roth 401(k)	**Income tax** **FICA and FUTA taxes are imposed**	**Tax-free for qualified distributions**

* Certain states may apply a state tax on HSAs

HSAs are tax-advantaged savings accounts available for individuals covered under an HSA-compatible high-deductible health plan (HDHP). These accounts provide a way to contribute and save money to pay for current or future qualified medical expenses that are not reimbursed by insurance.

HSAs are portable accounts, belonging to the employee, that do not expire. Thanks to their design — and the fact that balances are carried over from year to year — HSAs can be used for qualified medical expenses as well as for long-term health care savings accounts, allowing employees to build balances over time to cover health care expenses in retirement. The average HSA balance is just more than $3,700, which may indicate that most account holders are using the savings for current spending.[3]

Current state of Health Savings Accounts

(as of December 31, 2022)[3]

35.5 million accounts
Average balance: **$3,725**

[3] Devenir Research, *2022 year-end HSA market statistics & trends,* March 2023.

HSA advantages for employees

HSAs offer employees flexibility in how they fund the accounts, what they can use the funds for, when they can pull money out to cover health care expenses and how they can do it all tax-free. This flexibility is illustrated by the following features:

- **HSAs offer triple tax benefits:**
  - **Tax-free contributions:** Funds directed to an HSA reduce taxable income. Contributions are also not subject to federal payroll taxes, resulting in an immediate effective return of 7.65% on incomes below $147,000, or 1.45% on incomes above that level (based on 2023 tax rates).
  - **Tax-free growth:** Similar to retirement accounts, capital gains and investment income are nontaxable, potentially allowing savings to grow faster over time.
  - **Tax-free withdrawals:** Qualified expenses are not taxed and are characterized as reimbursements, not income. This helps reduce the risk of Medicare Part B and Part D premium surcharges tied to income thresholds.
- **Reimbursements may lower income taxes on Social Security benefits.** A portion of Social Security benefits is taxable based on annual income. An individual with a *combined income** over $34,000 may have to pay taxes on 85% of their Social Security benefits. But if the combined income is between $25,000 and $34,000, only 50% of benefits may be taxable. HSA distributions do not count toward these income thresholds.

> * **Combined income** = adjusted gross income + nontaxable interest + 50% of Social Security benefits

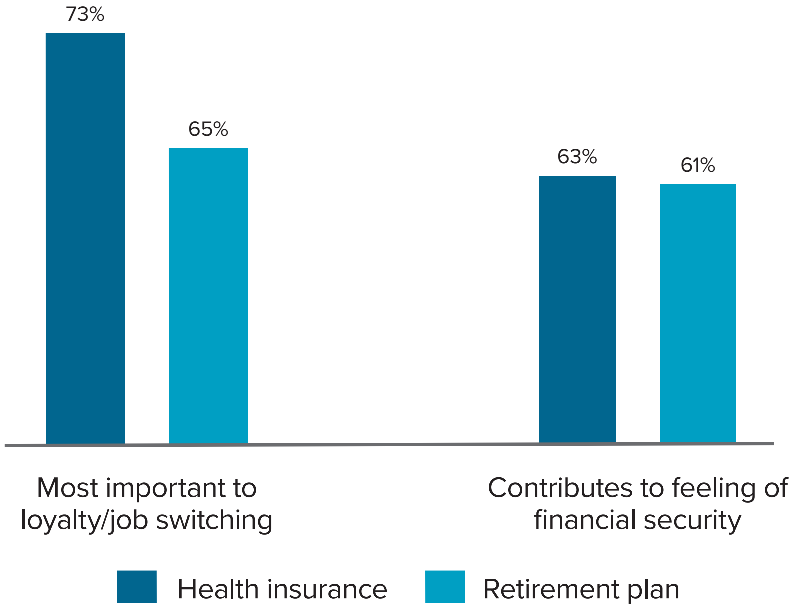
- **HSAs are portable and never expire.** Account holders can transfer accounts from one employer to another, and unused balances roll over indefinitely.
- **There are no Required Minimum Distributions (RMDs).** HSA owners control when they use funds from their accounts, and there is no rule that requires distributions at a certain age. This differs from participants in qualified retirement plans who must begin taking RMDs at age 72 — or age 73 for those reaching age 72 after December 31, 2022.

HSA advantages for employers

HSAs allow employers to further demonstrate their commitment to improving employee financial wellness and readiness. There are many additional advantages to employers:

- **FICA and FUTA payroll tax exemptions.** Employee and employer HSA contributions are not subject to FICA and FUTA payroll taxes, which can save employers 7.65% on contributions, based on 2023 tax rates.
- **A vehicle to promote HDHPs.** HSAs are only available to employees enrolled in HSA-compatible HDHPs, which tend to be a more cost-effective health insurance option for employers.
- **HSAs can help boost financial wellness — offering employees additional resources with which to retire.** HSA owners control when they use funds from their accounts, and there is no rule that requires distributions at a certain age as there is in retirement plans.
- **Benefits flexibility to help retain and attract employees.** Offering a mix of benefits with cost savings and flexibility gives employees more options in how they stretch their finances in times of high inflation and economic uncertainty.

Importance of health insurance and retirement plans on job loyalty and feelings of financial security[4]



Despite the many advantages for employees and employers, there is a significant knowledge gap around HSAs. Employers have access to tools that can help close this gap.

[4] EBRI and Greenwald Research, *Workplace Wellness survey,* n= 1,518, 2022.

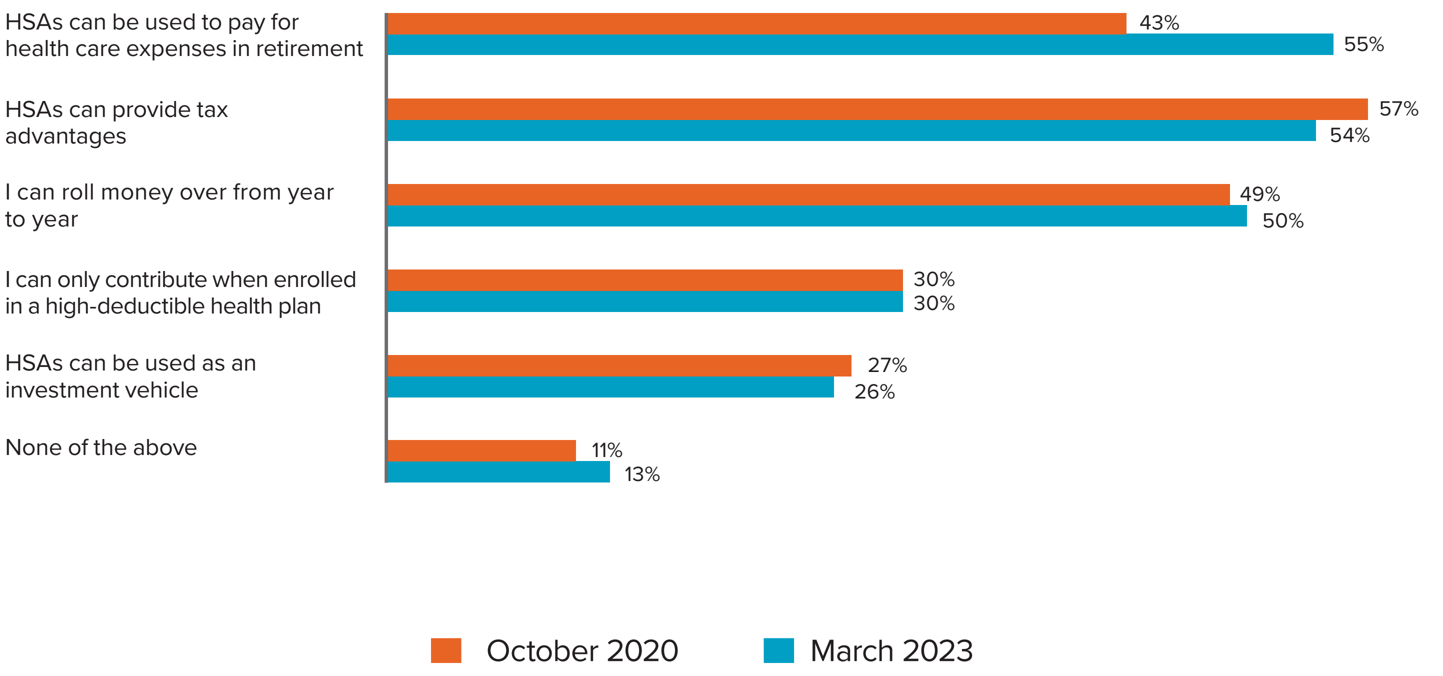
Employees need help understanding how to optimize their HSAs

The 2022 EBRI/Greenwald Workplace Wellness Survey indicates that employees feel medical or health-related debt is a major problem, and they view health emergencies as the biggest contributor to medical debt. More than one-half of respondents describe their medical or health-related debt (57%) as a problem.[4] Voya data indicates that unexpected medical expenses are a major reason for hardship withdrawals from retirement plans.[5]

HSAs can help bridge this health and wealth gap if employees are adequately educated on how to use them. But American consumers do not have a good grasp on how HSAs work and how the accounts can help them meet their long- or even short-term health savings needs.

A 2023 Voya Consumer Insights and Research survey that compared employee HSA knowledge from 2020 to 2023 found that while the general understanding that HSAs can be used to pay for health care expenses in retirement increased noticeably (from 43% to 55%), knowledge of other uses and benefits of the accounts showed no discernable change. Overall, only 3% of survey respondents were able to correctly identify all attributes of an HSA.[6]

Knowledge of HSA uses/benefits[6]

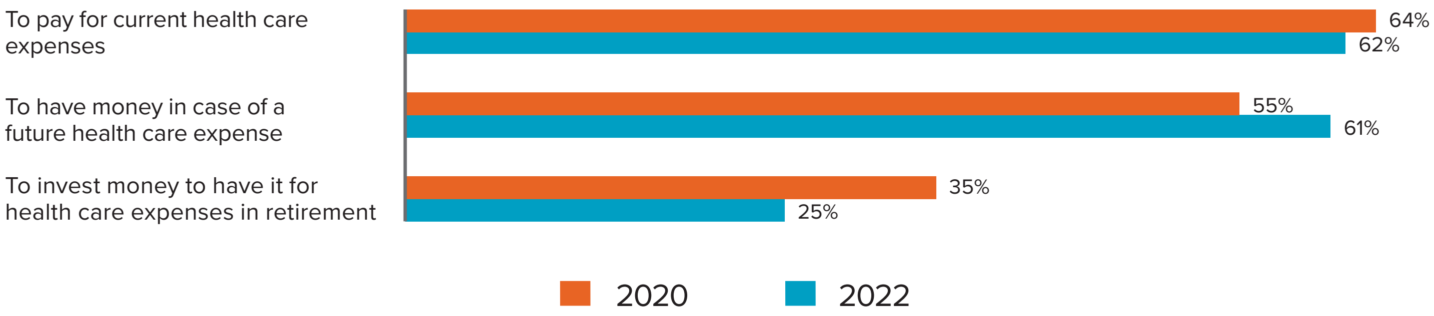


Given this lack of understanding around HSAs, it's no surprise that employees are not optimizing all of the advantages offered through these accounts. Consider that only 14% of HSAs have balances greater than $5,000.[3] And, in 2022, only one-quarter of employees contributed to their HSA with the intention of investing for health care expenses in retirement — a 10 percentage point drop from 2020.[4]

[5] Voya Financial, *Internal behavioral finance data,* 2022.

[6] Based on results of a Voya Financial Consumer Insights & Research survey conducted with Morning Consult between March 9-15, 2023, among n=500 working Americans age 18+ who have both an employer-sponsored retirement plan and a medical/health plan, featuring n=188 health savings account owners.

What is the reason for putting money into the HSA? (Select all that apply)[4]



Part of what's contributing to employee inaction, and should be a primary focus of education campaigns, may be a need for employees to understand the differences between accounts with similar sounding abbreviations: HSA, HRA (Health Reimbursement Arrangement), and FSA (Flexible Spending Account). One key difference with these accounts is the employee owns the HSA, which does not have the "use it or lose it" requirement that is attached to FSAs.

Health account solution comparison

	FSA	HRA	HSA
Employer and employee can contribute	Yes	No	Yes
Employee owns the account	No	No	Yes
A debit card may be available to access	Yes	No*	Yes
Only available with an HSA-compatible HDHP	No	No	Yes

* Depending on plan design

Boost HSA usage by dispelling these 6 common myths

Myth vs. **Fact**

1

Myth:
Owners forfeit unused balances at the end of each year.

Fact:
Balances are never forfeited and can be used for eligible expenses at any point in the future, as long as there are funds in the account.

Only 50% of employees know that HSA account owners can carry over balances from year to year.[6]

2

Myth:
Owners lose their accounts when they change employers or retire.

Fact:
HSAs are personal accounts and they're **portable through job changes and into retirement.***

Only 50% of employees know that HSAs are portable.[6]

3

Myth:
Contribution levels are fixed.

Fact:
Account owners can **change their pre-tax payroll deductions** as often as their employer allows throughout the year.**

Only 29% of employees know contribution levels can be changed outside of open enrollment.[6]

4

Myth:
Employees can only make contributions to an HSA through payroll deductions.

Fact:
Account holders can deposit funds into their HSA via a **transfer from their bank account through the online portal, payroll deduction or even personal check**.

Only 37% of employees know contributions can be made through multiple means.[6]

5

Myth:
Employees who don't open their accounts during open enrollment have to wait until the following year.

Fact:
Account owners can open and fund their HSAs as soon as they **meet eligibility requirements**.

Only 22% of employees know they can open an HSA at any time.[6]

6

Myth:
HSA investment options are limited.

Fact:
HSA account owners may have **access to a robust investment menu**, depending on the program.***

Only 34% of employees know HSAs offer an array of investment options.[6]

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* Note that while funds are available for use, you can no longer contribute to your HSA once you're enrolled in Medicare.

** Annual IRS contribution maximum applies.

*** As with any investment, there are risks; make sure to fully explore those risks before choosing to invest your balance.

7 tips for effective HSA program design

Increasing HSA engagement starts with thoughtful program design, and employers may wish to consider using the same care and attention to detail as used when designing a retirement plan. This includes developing a multi-year strategy with enrollment goals, measurement systems, feedback loops, and course corrections.

1. Choose an administrator that will minimize disruption for employees

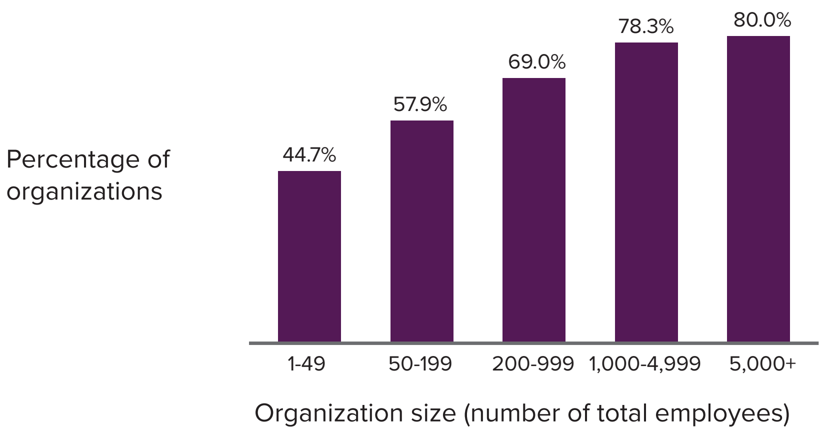
Historically, HSAs have been paired with major medical coverage, and many of the largest HSA administrators are either owned by, or closely partnered with, health insurance plans. Because of this, many employers tie their administrator to their current medical carrier. If the employer changes health plans, employees will face disruption, including switching accounts, receiving new payment cards and becoming familiar with new fee structures and other rules. Employers may wish to consider finding a long-term HSA provider separate from health insurance providers for a more seamless employee experience.

2. Provide access to a diversified investment menu

For employees looking to build a health savings nest egg for use later in retirement, keeping HSA funds in cash accounts and money market funds may inhibit the ability to grow their savings over time. As employers are establishing or updating their organization's HSA solution, it's important to ensure their provider can offer a full array of investment options, rather than merely access to money market funds. A suite of target date funds are an increasingly popular option for HSAs. These funds provide a simple, low-cost solution that removes the need for employees to actively manage their investments. As with any investment, there are risks; account holders should make sure to fully explore those risks before choosing to invest their balance.

According to the 2022 Plan Sponsor Council of America HSA Survey, a majority of medium-to-large organizations (1,000-5,000+ employees) offer investment options beyond a cash account or money market fund for HSAs.[7] However, only 12% of account holders invested in assets other than cash.[8]

Percentage of organizations that offer investment options for HSA contributions[7]



[7] Plan Sponsor Council of America, *Health Savings Account survey,* n=464, 2022.

[8] EBRI Issue Brief, *Trends in Health Savings Account balances, contributions, distributions and investments, 2011-2021,* February 2023.

3. Ensure fees are reasonable and transparent

Transparency about HSA investment capabilities and fees is key. As with retirement plans, high fees on underlying investments along with administrative fees can eat into growth potential. Reasonable fees that are explained clearly may encourage employees to invest for long-term growth rather than simply park their HSA assets in a cash fund.

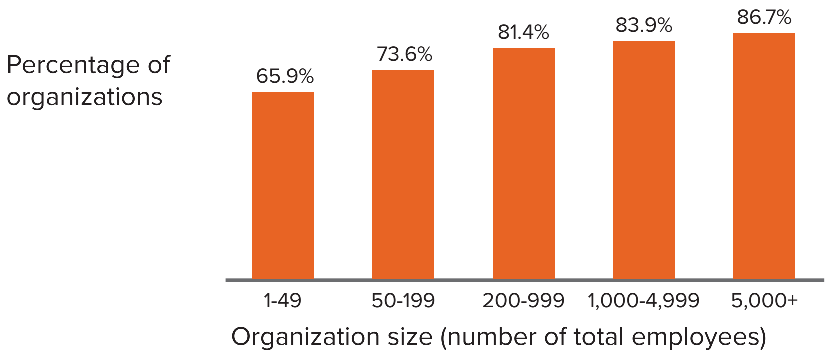
4. Leverage smart spending technology products

Employees can be confused when it comes time to reimburse medical expenses, particularly if they have several different accounts, such as dependent care FSAs, Limited Purpose FSAs, and HSAs. Smart debit cards that can identify the type of expense and automatically pull the reimbursement from the right account can simplify the decision-making process for employees. For instance, when an employee who has a Limited Purpose FSA and an HSA is spending on a qualified dental or vision expense, a smart card could deduct from the Limited Purpose FSA balance first, since those funds must be used by year-end.

5. Consider offering employer contributions

The same logic behind promoting employer contributions as a way to motivate employees to save in their retirement plan can be implemented to help nudge HSA participation. Many employers provide a flat HSA contribution (for example, $300 a year), which provides employees with funds to pay out-of-pocket medical expenses early in the year, before the employee contributions have accumulated.[9]

Percentage of organizations that contribute to the HSA[7]



6. Implement default elections that boost HSA effectiveness

Many of the auto features proven to increase participation in, and engagement with, retirement plans can also be used in the HSA program. For example, to increase HSA participation, auto-enroll employees when they elect an HSA-compatible HDHP. Employers should consult legal counsel to ensure that any planned defaults do not trigger ERISA provisions.

Default settings should be set high enough to build meaningful balances but not so high that employees will opt out of participating. When looking for that default "sweet spot," it may be helpful to consider how retirement plan participants react to different default options. The Voya Behavioral Finance Institute for Innovation conducted research to determine how employees respond to various default contribution rates in retirement plans. Despite general concern among employers that higher defaults would negatively impact plan participation, researchers found that employers could set default contribution rates anywhere from 3% to 10% without affecting opt-outs. As would be expected, higher default rates made meaningful improvements in the financial security of employees.[10] There is reason to believe that higher HSA contribution defaults may produce similar positive outcomes, but default decisions must be balanced across all savings vehicles.

[9] Benefits pro, *Don't stop at the 401(k) match: Why employers should consider adding HSA contribution,* April 2022.
[10] Voya Financial, *BeFi Perspectives: How do consumers respond when default options push the envelope?,* October 2017.

7. Establish goals and measure success

Just as employers take great care to measure and track many aspects of their retirement plans, including participation, contributions and investment allocations, they should do the same for HSAs. Targets should be set for program metrics and action steps defined to improve outcomes when goals come up short. Tracking should include:

- Savings rates
- Average account balances
- Investment allocations and fund performance
- Investing behavior
- Balances carried over from year to year for future use

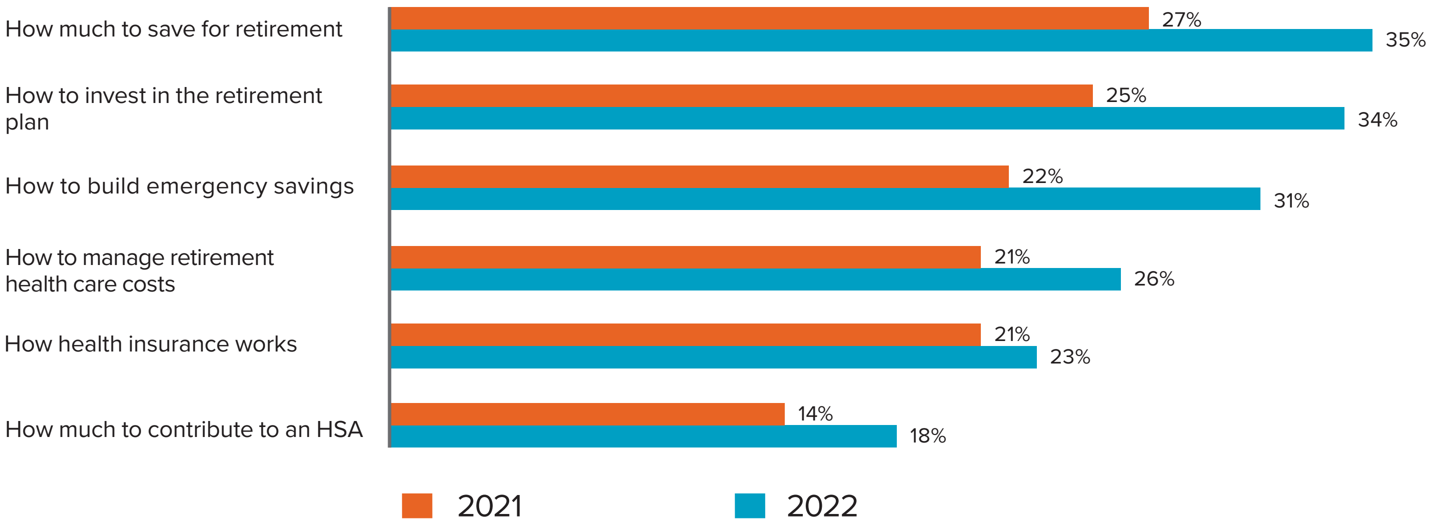
Using this data, employers can set realistic short-term and long-term goals for their HSA program, track progress and make necessary adjustments to maintain the objectives and ensure success.

Spark employee action through education and practical guidance

Once the HSA program is designed with features relevant to an employer's workforce demographics and needs, success will depend on effectively communicating the benefits of and developing education strategies for HSAs. Employers, working with their financial professionals and brokers, can apply learnings from qualified retirement plan education campaigns to help employees understand HSA benefits. The goal is to offer easy access to information, tools and guidance to support the benefits decision-making process and help workers improve their overall financial wellness.

The 2022 EBRI/Greenwald Workplace Wellness Survey found that the percentage of employees wanting advice from their employer in the areas of saving, investing and health care increased noticeably from 2021 to 2022.[4]

Employees increasingly want education and guidance from employers[4]



Steps to consider when developing a comprehensive HSA communication and education strategy:

Use personalized messaging

The individuals who make up today's diverse workforces have different needs and life goals that will affect the way they value health and wealth benefits. The priorities of a young single person, a working parent, and an employee nearing retirement may all differ. To make an impact, leverage technology and data analytics to personalize message content based on life stage and past behaviors. This will ensure the communication is meaningful to each individual and can help simplify choices and mitigate decision fatigue.

For example, a young individual who has an FSA but no HSA could receive messaging around the potential value of enrolling in the employer's HSA-compatible medical plan and opening and contributing to an HSA. An older employee with a large HSA balance sitting in a cash account could receive messaging about the value of investing that money, including step-by-step guidelines on how to invest within the HSA.

Get the timing right and include action steps

The goal of education should be to impact employee behavior. Communications should be timed appropriately and delivered with a clear call to action. For example, educating employees about the value of the HSA-compatible medical plan/HSA combination may only make sense around open enrollment, when employees are reviewing health insurance elections. Messaging on increasing HSA contributions and investing account balances could be triggered when an employee has maximized employer matching contributions in their retirement plan or received a pay increase.

Focus on the tax benefits

The HSA triple tax advantages are a unique selling point for employees. Include examples of how these tax benefits can build up over time and allow the individual to pull money out to cover eligible medical expenses without affecting income taxes.

Show how the HSA and retirement plan complement one another

When viewed as a long-term retirement health care savings vehicle rather than merely an immediate reimbursement account, the HSA is a logical companion to the retirement plan. HSA contribution limits are lower, but the tax benefits are broader and the age-related withdrawal rules are more flexible.

Position the HSA as a type of savings vehicle for unplanned medical expenses

Not having enough savings for unexpected expenses — including medical expenses that are not 100% covered by insurance — is a concern shared by many workers. It's a major contributor to financial stress, and it can put retirement at risk if it triggers retirement plan hardship withdrawals.

Provide investing guidance

The same type of investing education and guidance provided to employees with regard to their retirement plan applies to HSA investing, including age-appropriate asset allocation and using diversification to help manage risk. Make sure employees know that investing their HSA won't limit their ability to access money when they need it. It's also important to note that as with any investment, there are risks; account holders should make sure to fully explore those risks before choosing to invest their balance.

Offer integrated decision support and planning tools

Employees typically make many workplace benefits and savings decisions independent of each other, even though these decisions are all interconnected. For example, if an employee selects an HSA-compatible HDHP rather than a preferred provider organization (PPO), they may have additional funds to direct into an HSA and/or into their retirement plan, helping to increase retirement readiness. A comprehensive decision support tool could help employees more fully understand their options. By giving employees a way to view an HSA and the full suite of retirement accounts on a single platform, employers can help their employees get their workplace benefits and savings in sync.

84% of employees are very or somewhat interested in a digital tool that allows them to see ALL of their financial and employer benefits information in a single place.[11]

Tools such as risk-assessment questionnaires can help to analyze benefit options and offer guidance across all product lines. Future value calculators like those used for retirement plans can help employees see how HSA contribution levels and investment performance can potentially affect long-term account growth. A calculator could also zero in on the difference over time of a dollar invested in an HSA — with no 7.65% payroll tax — and a dollar invested in a qualified retirement plan that is subject to the payroll tax.

Data analytics, artificial intelligence, machine learning and wellness apps can help to provide employees with decision-making support. Digital technology can increase the speed, accuracy and integration of benefits information from multiple providers — without increasing administrative complexity for employers.

Financial stress in the workplace

Decisions related to health and savings are already tightly integrated into people's lives and can be a cause of stress. PwC's 2023 Financial Wellness Survey[12] found that 60% of full-time workers are stressed about their finances and experience negative impacts on their health and wellness.

- Financially stressed employees are nearly five times as likely to say that their financial worries have been a distraction at work.
- Integrating workplace benefits and savings to more closely align with how employees make benefits decisions may help to reduce employee stress, improve productivity and lower staff turnover.

[11] Voya Consumer Insights & Research survey with Ipsos in July-August 2022 with 5889 retirement plan participants in plans serviced by Voya.

[12] PwC, *2023 Employee Financial Wellness Survey*, 2023.

Financial professionals and benefits brokers can offer invaluable service

Employers can collaborate with intermediaries, such as benefits brokers, financial professionals and consultants, to implement an integrated benefits program designed for a diverse employee population. Intermediaries have an opportunity to differentiate themselves and better support their clients looking to design or expand an HSA program by:

- Providing solutions that simplify administration for employers and decision-making for employees.
- Working with an HSA provider that offers a full range of services to support employees at all stages of their journey, including a broad menu of investment options, sweep functionality and online resources.
- Choosing an HSA provider that is not directly tied to the employer's medical insurer to minimize potential disruption for employees if an insurer change is warranted down the line.
- Seeking the best value in administrative fees with the option of absorbing some or all of the expenses for employees who are actively funding their accounts.
- Assisting with HSA program design that seamlessly integrates into the employer's full benefits package.
- Developing a year-round HSA employee communication and education strategy that helps employees understand how the retirement plan and HSA work together, how to optimize employer contributions and how to use the HSA to fund retirement health care budgets.
- Providing access to decision support tools that look at benefits decisions in a connected way — both for open enrollment and throughout the year.
- Leveraging behavioral finance findings to help employees make more informed decisions.

Connecting health and wealth to drive better outcomes

Voya recognizes the dynamics around the convergence of workplace benefits and savings. Our products and services are designed to make workplace benefits easier and more holistic, and we create new and different connection points between workplace benefits and savings that are intuitive and complementary.

Voya's myVoyage® experience can help make more informed decisions

myVoyage is an innovative benefits decision support and financial wellness experience that helps make employees feel confident about choosing and using their workplace benefits. Employees can seek to make the most of every dollar by accessing a panoramic view of their benefits, finances, and personalized guidance. This includes their workplace benefits, savings and retirement planning, as well as external accounts — such as personal banking and credit accounts — to help manage their overall health and financial well-being. As part of the digital experience, employees receive information that clearly demonstrates how each benefit choice affects another and how the entire benefits decision process may impact their physical, mental and financial well-being.

78% of retirement plan participants surveyed are very or somewhat interested in services that help maximize benefit dollars across retirement savings, HSA, health insurance and voluntary benefits.[11]

Benefits to the employee include:

- Consolidated view — of financial accounts and benefits coverages with one login.
- Holistic financial wellness — to help employees see where they stand, set and track goals and insights along the way.
- Medical claims integration — to track spending and preventative care insights.
- Benefits and savings decision support — personalized for a household, factoring in a spouse's benefits and finances.
- Easily manage accounts — with simple clicks to implement savings guidance.
- Interactive journeys — provide specific steps, tools and resources to help navigate life events.

Benefits to the employer include:

- Customized solution — The digital tool is pre-loaded each year with the employer's unique benefits package.
- Employee education campaigns — We help educate and engage employees through our comprehensive communication packages.
- Simple rollout — A dedicated Voya implementation manager facilitates the launch of myVoyage at each organization.
- Reporting and metrics — Voya relationship managers provide follow-up reporting and metrics to help measure the impact of myVoyage on driving positive employee outcomes.

Simplifying savings allocations across benefits

Employees may get confused when they are asked to use percentages to decide how much to save in various workplace savings accounts. A Voya randomized control trial across 86 employers found that reframing savings rates as pennies per dollar saved, rather than a percentage of pay, had a positive impact on savings rates — particularly for employees at the lower end of the pay scale.[13]

Using personalized algorithms, employees could be shown how to save six pennies per dollar in the retirement plan, two pennies in an emergency fund, and two pennies in an HSA or other health-related savings account.

Pennies reframing can serve as a powerful information architecture tool for democratizing savings by reducing gaps across salary ranges.

[13] Voya Financial, *BeFi Perspectives: Reducing savings gaps through pennies versus percent framing;* January 2022.

Key takeaways

- Retirees may need personal savings in the six-figure range just to cover potential health care expenses throughout retirement. But average defined contribution retirement plan balances for employees nearing retirement fall short of this objective, which creates a significant retirement health care savings gap.
- HSAs are uniquely positioned to help close the retirement health care savings gap. Triple tax advantages allow employees to use HSAs as a long-term savings vehicle that can help boost financial wellness now and into retirement.
- Many employees do not understand how HSAs work and do not know how to use the benefit effectively. Employees need their employers to educate them about HSAs and help them make benefits decisions. Employers can empower employees with comprehensive communication and education strategies to help overcome the HSA knowledge gap.
- To design an effective HSA program, employers should minimize potential disruption for employees, offer HSAs through providers offering investment options, consider offering employer contributions and use proven default options.
- Financial professionals and benefits brokers can play valuable roles in helping employers elevate their benefits offerings and design and implement effective HSA programs.
- Transitioning the benefits decision process away from isolated silos and toward a more holistic and integrated system can help employees get their workplace benefits and savings in sync. Employers can use digital technology to provide employees with decision-making support without increasing administrative complexity.

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Health Account Solutions, including Health Savings Accounts, Flexible Spending Accounts, Commuter Benefits, Health Reimbursement Arrangements, and COBRA Administration offered by Voya Benefits Company, LLC (in New York, doing business as Voya BC, LLC). HSA custodial services provided by Voya Institutional Trust Company. For all other products, administration services provided in part by WEX Health, Inc.

This highlights some of the benefits of these accounts. If there is a discrepancy between this material and the plan documents, the plan documents will govern. Subject to any applicable agreements, Voya and WEX Health, Inc. reserve the right to amend or modify the services at any time.

The amount saved in taxes will vary depending on the amount set aside in the account, annual earnings, whether or not Social Security taxes are paid, the number of exemptions and deductions claimed, tax bracket and state and local tax regulations. Check with a tax advisor for information on whether your participation will affect tax savings. None of the information provided should be considered tax or legal advice.

Investments are not FDIC Insured, are not guaranteed by Voya Benefits Company, LLC (in New York, doing business as Voya BC, LLC), and may lose value. All investing involves risks of fluctuating prices and the uncertainties of return and yield inherent in investing. All security transactions involve substantial risk of loss.

Please review the disclosures in the Personalized Enrollment Guidance Terms, which outline the criteria and methods behind Personalized Enrollment Guidance, including limitations and assumptions to consider when reviewing the output of the tool. Results may vary over time due to regulatory and/or tax changes, as well as changes in your health and/or financial situation.

IMPORTANT: The projections or other outputs of Personalized Enrollment Guidance regarding the likelihood of various health costs and spending, and investment outcomes are hypothetical in nature. They do not reflect actual health costs and spending or investment results and are not guarantees of future results. Personalized Enrollment Guidance does not provide tax advice.

Voya Financial and its affiliated companies (collectively, "Voya") is making available to you the myVoyage Personalized Enrollment Guidance tool offered by SAVVI Financial LLC. ("SAVVI"). Voya has a financial ownership interest in and business relationships with SAVVI that create an incentive for Voya to promote SAVVI's products and services and for SAVVI to promote Voya's products and services. Please access and read SAVVI's Firm Brochure which is available at this link:https://www.savvifi.com/legal/form-adv. It contains general information about SAVVI's business, including conflicts of interest.

Health Savings Accounts offered by Voya Benefits Company, LLC (in New York, doing business as Voya BC, LLC). HSA custodial services provided by Voya Institutional Trust Company.

Investments are not FDIC Insured, are not guaranteed by Voya Benefits Company, LLC (in New York, doing business as Voya BC, LLC), and may lose value. All investing involves risks of fluctuating prices and the uncertainties of return and yield inherent in investing. All security transactions involve substantial risk of loss.

In addition, the Personalized Enrollment Guidance tool provides information and options for your consideration regarding, among other things, Supplemental Health insurance policies. Because Voya sells Supplemental Health insurance policies as part of its overall Health Solutions business, you should consider the conflict of Voya's ownership interest in SAVVI when considering the Supplemental Health insurance policies Personalized Enrollment Guidance highlights for your consideration. You are under no obligation to purchase any benefits highlighted by the Personalized Enrollment Guidance tool, and most such benefits can be purchased or excluded on an individual basis. You are not required to purchase Supplemental Health insurance to enroll in health care coverage.

Voya also offers retirement products as part of its Wealth Solutions line of business. You should also consider the conflict of Voya's ownership interest in SAVVI when reviewing the contribution calculations made by the Personalized Enrollment Guidance tool in connection with your retirement savings options. You are not obligated to make any such contribution.

The Personalized Enrollment Guidance tool provides information and options for you to consider in making health care, health savings, emergency savings, and retirement savings choices. Those choices are solely up to you to make. Personalized Enrollment Guidance is not intended to serve as financial advice. None of SAVVI, Voya, nor WEX Health acts in a fiduciary capacity in providing Personalized Enrollment Guidance or other services to you; any such fiduciary capacity is explicitly disclaimed.

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