

# Ultimate Guide to Using Your HSA for Retirement Investing

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[Blog](#)



It's essential to properly plan for your financial future. From medical expenses to retirement accounts, making the right plan and strategy now can greatly impact your quality of life in the future. One way to do so is with a [Health Savings Account \(HSA\)](#).

Traditionally, HSAs have been a standard feature of a high-deductible health plan because of their flexibility. [Healthcare.gov](#) describes HSAs as “a type of savings account that lets you set aside money on a pre-tax basis to pay for qualified medical expenses.”

They can be used for a variety of current-year medical expenses from prescriptions and doctor visits to copays, deductibles and coinsurance. But did you know that you can also use your HSA to fund long-term investments?

In addition to HSAs being a handy resource for your immediate day-to-day medical expenses, let's look at how investing in your HSA can help you build future wealth and plan for retirement.

## Using your HSA as an Investment Account

It's no secret that as we age, we experience more medical phenomena that could lead us to unexpected bills—often at a hefty cost. In fact, according to Fidelity, the average couple can expect to spend [\\$300,000 on out-of-pocket healthcare costs during retirement](#).

With that reality, it can be easy to feel anxious about the future. Thankfully, utilizing your HSA funds for investment can help you start planning for those bigger medical bills now, to ease the stress later in life. Additionally, with an HSA in place for medical expenses, you'll also enjoy the added benefit of being able to use your other retirement accounts more fully as income to fund your living expenses.

## How is a Clarity HSA Investment special?

Clarity's HSA investment experience is unique because of our commitment to personalization. With an HSA investment from Clarity, you're truly in control. Once your HSA reaches the required minimum balance, you can begin to build wealth and save for retirement by investing your funds. It's like a 401(k), but you never pay taxes on earnings or withdrawals for qualified medical expenses!

Simply choose your preferred investment method and we'll help every step of the way. With Clarity, you can choose between three different investment models to ensure a personalized approach to investing:

- **Managed:** Designed for novice investors who prefer to have our advisor tool automatically select and rebalance investments on an ongoing basis in accordance with their age and/or risk profile. This account type delivers a "do-it-for-me" approach to investing.
- **Self-Directed:** Designed for intermediate investors who have the desire to self-select from a menu of monitored investment options covering multiple asset classes to diversify their portfolio, and then rebalance their portfolio manually. This account type provides a balance between do-it-for-me and DIY approaches to investing.
- **Brokerage:** Designed for adept investors who desire to perform advanced research and trading across hundreds of individual stocks and exchange-traded funds (ETFs). This account type offers a hands-on, DIY approach to investing.

These innovative and modern investment options are all in addition to the everyday benefits of your Clarity HSA like:

- Triple tax-advantaged: tax-free contributions, earnings and distributions
- Built-in payroll advance for unexpected expenses
- Portable from job to job
- Online account management from your phone, desktop or tablet

### What to Know Before Investing

Here are some typical criteria to keep in mind before investing HSA funds:

- Your HSA cash account must reach a minimum balance to be able to invest
- You can transfer investment funds back into your HSA at any time with no fees or penalties for qualified medical expenses
- Consider the Medicare impact of your contributions

### What are the additional benefits of offering an HSA investment option?

In a world where employment practices and trends are changing every day, it's now more important than ever to have a truly customized employee benefits offering.

If you're in the market for a new job or exploring a career change, look for companies that offer HSA investment plans. When incorporated into a robust employee benefits package, HSA investments can help foster a healthy culture of financial planning and set you up for success!

### Preparing for the Future

HSAs are helpful tools for both immediate and long-term needs. From covering medical bills and prescriptions today to planning for retirement tomorrow, HSA investments can turn your everyday HSA funds into a solid nest egg.

HSA investments work to help you build wealth and save for retirement at the pace and style that's best for you, so you can continue to plan for the future with ease.

At Clarity, we believe that relationships matter. We're ready to help you today, tomorrow and anytime in the future to ensure your needs are met with the utmost level of care and service. To begin your investment journey or to learn more about the Clarity HSA experience, [contact us](#) today or [read more here](#).

Sources:

<https://www.healthcare.gov/glossary/health-savings-account-hsa/>

[How to plan for rising health care costs | Fidelity](#)