



Your guide to understanding a Health Savings Account

HSA Reference Guide

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A tax-advantaged way to pay for qualified medical

A Health Savings Account (HSA) can be an easy and smart way to save money to pay for qualified medical expenses¹ for you and your dependents. With its triple tax advantages,² easy access to funds, and future growth potential, it's a unique savings vehicle that provides benefits today and in the future.

It's no secret that health care costs have been skyrocketing for many years and that the rapid rate of increase is affecting us all. It's estimated that an individual retiring today at age 65 will need \$172,500 to cover health care expenses in retirement.³ That means saving for health care should be an important part of a financial plan, for today and into retirement.

An HSA-eligible health plan (also known as a High Deductible Health Plan, or HDHP) paired with an HSA can help you face rising health care costs today and in the future. This combination can potentially save you money on health care while giving you more control over how your medical dollars are spent.

To help you better understand HSA-eligible health plans, HSAs, and how the two work together, here are answers to some commonly asked questions to help you get started.



What is an HSA-eligible health plan?

An HSA-eligible health plan is an HDHP that satisfies certain IRS requirements with respect to deductibles and out-of-pocket expenses. You generally pay less in premiums than in other medical plans, and pay more up front for medical expenses before the plan begins to pay for covered services. General preventive care services are fully covered. Enrollment in an HSA-eligible health plan is one of the requirements to be eligible to establish an HSA.

What is an HSA?

An HSA is an individual account used in conjunction with an HSA-eligible health plan to cover out-of-pocket qualified medical expenses on a tax-advantaged basis. Your HSA belongs entirely to you, which means it's yours to keep even if you change jobs. HSAs can be used to pay for both current and future qualified medical expenses for you and your eligible dependents. You can contribute to your account, withdraw money to pay for qualified medical expenses, and potentially grow your account on a tax-free² basis by investing your savings in a wide array of investment options.

Why should I consider an HSA?

If you have the opportunity to choose an HSA-eligible health plan and HSA, you may want to take a closer look. This combination may offer some significant tax and savings advantages over traditional health care plan options — no matter if you're a low, medium, or high user of health care services.

Control. You determine how much to contribute (up to your maximum annual contribution limit per IRS rules), when and how to invest your contributions, and whether to take an HSA distribution to pay for current qualified medical expenses, or let your contributions stay invested for future growth potential.

Tax savings. HSAs offer a triple tax savings—contributions, any investment earnings, and distributions are federal tax free.

Growth potential. You can invest your HSA money in a variety of investment options—including stocks, bonds, and mutual funds—for potential growth over time. Even the money you keep in cash has the opportunity to earn interest. Any potential growth is tax-free.²

Flexibility. Your HSA money never expires. Any unused balance in your account will automatically carry over from year to year. That means whatever you don't use this year you can continue to save for future qualified medical expenses, including in retirement.

Portability. Your HSA always belongs to you, even if you change jobs or become unemployed, change your medical coverage, move to another state, or change your marital status.

Am I eligible to open an HSA?

You must meet several IRS eligibility requirements in order to establish and contribute to an HSA. It is your responsibility to determine if you are eligible:

- You must be enrolled in an HSA-eligible health plan on the first day of the month. For example, if your coverage is effective on May 15, you are not eligible to contribute to or take a distribution from your HSA until June 1.
- You cannot be covered by any other health plan that is not an HSA-eligible health plan.
- You cannot currently be enrolled in Medicare.
- You cannot be claimed as a dependent on another person's tax return.

If you open an HSA and do not meet the above criteria, your contributions, any investment earnings, and distributions may be subject to income taxes, penalties, and/or excise taxes.

Additionally, in order to open and contribute to a Fidelity HSA®, you must have a valid U.S. address.

How do I know if an HSA is right for me?

While many may benefit from an HSA, your personal situation will determine if an HSA-eligible health plan and HSA are the right approach to meet your health care needs. As you explore your options, consider your anticipated health care expenses, your current financial situation, and how much control you want over your medical spending.

Keep in mind that, with an HSA, you are in charge of tracking, managing, and monitoring your health care and related expenses. The recordkeeping of your HSA is up to you, and it is important to hold on to all receipts, records, and other documentation as proof that the expenses you pay from your HSA are for qualified medical expenses.

What type of expenses does an HSA cover?

Distributions from an HSA used to pay for qualified medical expenses for you, your spouse, and dependents are tax free provided they meet the IRS definition of a qualified medical expense. The good news is that a lot of expenses qualify for payment or reimbursement, such as:

- Health plan deductibles and coinsurance
- Most medical care and services
- Dental and vision care
- Prescription drugs, over-the-counter medications, and insulin
- Medicare premiums (if age 65 or older)

Note that these expenses must not already be covered by insurance and that health insurance premiums generally do not qualify. For more information about HSAs and qualified medical expenses, refer to IRS Publications 969 and 502 at www.irs.gov or consult a tax professional.

Should an HSA be used to pay current qualified medical expenses or be saved for the future?

One of the main benefits of an HSA is that it is flexible depending on your needs. You can use your HSA to save and grow your money tax-free for the future, or you can use it to save money on taxes while paying for qualified medical expenses today.

The combination of HSA tax advantages and the breadth of investment options available through a Fidelity HSA provides an opportunity for potential growth. Consider this hypothetical example:

If you contributed \$3,000 annually to an HSA and earned a 7% return over a 20-year period, you could potentially grow your balance to \$127,291—that's \$60,000 from your own contributions plus \$67,291 in earnings that you can use to pay for qualified medical expenses, free from federal taxes.⁴

Opening and Contributing to Your Fidelity HSA

How do I open a Fidelity HSA?

Prior to opening your HSA, you must be enrolled in an HSA-eligible health plan. When you're ready, activating and managing your HSA with Fidelity is fast and easy. You'll get information on investment choices, payment options, and ongoing support to help you build and manage your savings. Your HSA account will be opened automatically at your request during your enrollment on MyBenefits at www.intel.com/go/myben after you review and accept the HSA terms and conditions. You will need to activate your Fidelity HSA online in order to make investment elections. To begin, simply log in to NetBenefits® at www.netbenefits.com/intel. From the home page, click Activate next to Health Savings Account.

How do I contribute to my Fidelity HSA?

If you are eligible to contribute to an HSA, there are several ways to do so, including pretax and/or after-tax contributions.

- **Pretax contributions.** You may elect to contribute to your Fidelity HSA through automatic payroll deductions on a pretax basis. You can elect your payroll contribution amount through your benefits enrollment process and may change it at any time. Contributions made through payroll deductions are exempt from FICA tax.

HSA-eligible health plans typically have lower premiums than traditional health plans. You may want to consider contributing the money you save on those lower premiums to your HSA.

Over time, that money has the potential to grow tax-free² while you save to pay for future qualified medical expenses.

- **After-tax contributions.** At any time, you may make an after-tax contribution to your Fidelity HSA. You can even contribute just the amount you need when you need it to pay for qualified medical expenses. It's easy to transfer money from your bank to your Fidelity HSA electronically. Any after-tax contributions are tax-deductible and lower your taxable income amount. After-tax contributions do count toward your annual contribution limit, so pay attention to your total contributions for the year.

You may also transfer assets from another HSA (provided the account type and registration are the same) or make a one-time qualified HSA funding distribution from an IRA.⁵

What are the contribution limits for HSAs?

Each year, the IRS establishes contribution limits for the upcoming year. These limits are for total contributions made to your account, including those made by you, your employer, and any other third party.

Annual IRS Contribution Limits for HSAs

Type of coverage	2025	2026
Individual health care coverage	\$4,300	\$4,400
Family health care coverage	\$8,550	\$8,750
Additional catch-up contribution (if age 55 or older)	\$1,000	\$1,000

Your maximum annual contribution limit depends on several factors, including when you enrolled in an HSA-eligible health plan, whether you have individual or family health care coverage, and your age.⁶ If you are age 55 or older, you can contribute up to an additional \$1,000 each year as a catch-up contribution. This also applies to your spouse if he or she is age 55 or older. Note, however, that your spouse must open an HSA for their own catch-up contribution.

How much should I contribute to my HSA?

You should always prepare for the unexpected by saving enough money in your core position to cover your anticipated out-of-pocket medical expenses for the year (including those of your spouse and eligible dependents).

Consider contributing at least up to your plan's deductible, and if you can afford to do so, contribute above that to save and invest for future medical needs.

What investment options are available for my Fidelity HSA?

Your Fidelity HSA is a single account that allows you to manage a portion of your savings in a core position and invest the rest for future medical expenses. You can start investing at any time by making a one-time trade or setting up automatic investing for future contributions. And there's no required minimum to begin investing.⁷

An investment trigger can help you keep enough in the core position to pay for current medical expenses, and any contribution beyond that amount will be automatically invested in your chosen investments.

You can choose to invest in a variety of investment options, including the Fidelity HSA® Funds to Consider list, which is a professionally selected lineup of funds with no minimums or transaction fees, as well as more than 10,000 mutual funds, individual stocks and bonds, ETFs, and CDs available on Fidelity's brokerage platform.⁸

In addition, the HSA Investment Review tool is available, providing assistance on how to invest your HSA savings. This experience takes into account your unique HSA savings goals, risk profile, and financial situation to provide investment advice with fund suggestions from the Fidelity HSA® Funds to Consider⁸ lineup.

Using Your Fidelity HSA to Pay for Qualified Medical Expenses

How do I pay with my Fidelity HSA?

There are multiple ways to use your HSA for payment or reimbursement of qualified medical expenses, including, but not limited to:

- **Your HSA debit card.** Your debit card provides an easy way to pay for qualified medical expenses directly from your Fidelity HSA. The card uses your available balance to pay for qualified expenses at eligible merchants.
- **Fidelity Health® mobile app.** The Fidelity Health app gives you an easier way to manage your health care expenses—all in one place, wherever you are. With the Fidelity Health app, you can:
 - Review your HSA balance and transaction history
 - Scan a product's barcode to find out whether it's a qualified medical expense for an HSA or Health Care FSA
 - Pay bills or reimburse yourself using your HSA
 - Save receipts for qualified medical expenses

You can even store and share your benefits ID cards. The Fidelity Health app is available in the App Store® or Google Play™.

- **Pay a provider directly from your HSA.** Easily pay bills directly from your HSA to your health care provider. Use the Fidelity Health app or NetBenefits to choose a payment amount and payee.
- **Pay out of pocket.** To take advantage of the long-term growth potential of your HSA, you may want to choose to pay for a qualified medical expense out of pocket rather than use the funds in your HSA. If you do pay out of pocket, you have the option to reimburse yourself from your HSA at any time without penalty.

Do I pay for qualified medical expenses at the time of service?

It generally makes sense for your service provider to first submit your claim to your health plan for payment. After your claim is processed, you will then receive an Explanation of Benefits from the health insurance carrier or claims payer that will show the amount, if any, that you owe the service provider. You can then make those payments through any of the payment options previously mentioned.

Can I use my HSA for nonqualified medical expenses?

Your Fidelity HSA is intended to be used for qualified medical expenses. Any distribution taken from your HSA to pay for a nonqualified medical expense must be included in your gross income for tax purposes and may be subject to an additional 20% penalty.⁹

Can I use my HSA for my dependents?

You can use your HSA to pay for qualified medical expenses incurred by your dependents, provided that they are considered dependents for federal tax purposes. Please refer to IRS Publication 501, which can be found at www.irs.gov, for guidance regarding the definition of a dependent.

What paperwork do I need to keep in relation to my Fidelity HSA?

Since an HSA provides a tax benefit, it's important to keep records—including receipts and statements from your insurance company. This will help you in two ways. First, for tax purposes, it documents that you used your HSA exclusively for qualified medical expenses. And secondly, it helps to ensure that you're always paying the right amount for services.

Each year, Fidelity will provide you and the IRS a Form 5498-SA, which summarizes contributions to, and the fair market value of, your HSA. If a distribution is taken from your account, a Form 1099-SA is provided for the year in which the distribution was taken.

Combined with an HSA-eligible health plan, an HSA can help combat the high cost of health care in two ways—by providing a tax-efficient way to pay for current qualified medical expenses and an opportunity to grow your savings for future qualified medical expenses, even in retirement. Whether you're ready to get started or need more information, take your next step today.

Resources

To open your Fidelity HSA

Online account opening	Log in to NetBenefits.com and select <i>Open</i> next to Health Savings Account.
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For answers to questions about HSAs

IRS website and publications	Visit www.irs.gov for Publications 502 and 969.
Fidelity’s online information and resources	Log in to Fidelity NetBenefits® at NetBenefits.com using your existing username and password.
Fidelity HSA service specialist	Contact a Fidelity Representative at 800-544-3716 or your plan’s toll-free number.

Ongoing management of your Fidelity HSA

• View your HSA balance alongside retirement accounts, such as your 401(k) or 403(b) • Access tools and resources • Perform ongoing account maintenance and management tasks – Forms and applications – Account statements, confirmations, and tax forms – Beneficiary information – Address changes to your HSA	Log in to Fidelity NetBenefits® at NetBenefits.com using your Fidelity username and password.
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Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

¹Refers to qualified medical expenses as defined by the IRS.

²With 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 HSAs.

³Estimate based on a single person retiring in 2025, 65 years old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuity rates projected with 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.

⁴This is a hypothetical example for illustrative purposes only and does not represent the performance of any security in a Fidelity HSA. The example assumes that an individual contributes \$3,000 annually to an HSA with a hypothetical 7% annual return. An account may earn more or less. The final account balance is prior to any distributions. You may be subject to a 20% penalty if your distribution is not for qualified medical expenses. Systematic investing does not ensure a profit and does not protect against loss in a declining market.

⁵Note that the amount transferred counts toward the maximum annual contribution limit. Additionally, an individual must remain an eligible individual for the 12 months following the month the IRA distribution was made; otherwise, the amount must be included in the individual's gross income and will be subject to an additional 10% tax.

⁶The maximum annual contribution limit is based on your age and coverage tier (i.e., individual or family), as well as on when you become enrolled in an HSA-eligible health plan. Normally, for eligible individuals who enroll in the HSA-eligible plan as of the first of the plan year, the HSA contribution is prorated based on the number of months during the year a person is covered by an HSA-eligible plan as of the first day of the month. Individuals enrolled in an HSA-eligible health plan after the beginning of the plan year may contribute up to the statutory maximum annual contribution amount as long as they are eligible individuals in December of that tax year and remain eligible individuals for a full 12-month period following such month. If an individual fails to meet these criteria, the maximum annual contribution amount must be prorated based on the number of months he or she is an eligible individual, and any amount above such prorated amount is includible in the individual's gross income and subject to a 10% tax.

⁷There may be funds that require a minimum amount to invest, but Fidelity does not require a minimum to start investing.

⁸In 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.

⁹This penalty does not apply if you become disabled, once you reach age 65, or after your death.

The information provided in this brochure is general in nature. It is not intended, nor should it be construed, as legal or tax advice. Because the administration of an HSA is a taxpayer responsibility, you are strongly encouraged to consult your tax advisor before opening an HSA. You are also encouraged to review information available from the Internal Revenue Service (IRS) for taxpayers, which can be found on the IRS website at www.irs.gov. You can find IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, and IRS Publication 502, Medical and Dental Expenses (including the Health Coverage Tax Credit), online, or you can call the IRS to request a copy of each at 800-829-3676.

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Fidelity Brokerage Services LLC, Member NYSE, SIPC

900 Salem Street, Smithfield, RI 02917

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Learn about the benefits of your Health Savings Account (HSA)

You've opened your Fidelity HSA®, so what's next? Here are some suggestions for using your HSA to its full potential.

Your HSA Checklist:

- ☐ Determine how much to contribute
- ☐ Consider saving for future qualified medical expenses, including those in retirement
- ☐ Choose how to invest your HSA
- ☐ Understand your payment and reimbursement options
- ☐ Designate your beneficiary

Determine how much to contribute

Your Fidelity HSA® is one of the best ways to save money each year on a tax-advantaged basis to pay for qualified medical expenses.¹

You can save money on a pretax basis through payroll deductions, or through deductible, after-tax contributions—either way, any investment earnings will grow tax-free.²

Additionally, if you use your HSA to pay for qualified medical expenses that you, your spouse, or your eligible dependents incur—either now or at any time in the future, even in retirement—your distributions will be federal income tax free.

Check out how much you can contribute to an HSA in 2025 and 2026:

	2025	2026
Individual Coverage in an HSA-Eligible Health Plan	\$4,300	\$4,400
Family Coverage in an HSA-Eligible Health Plan	\$8,550	\$8,750
Additional Catch-Up Contribution (if age 55 or older)	\$1,000	\$1,000

Note: The amounts indicated above are the maximum aggregate contributions that you and a third party may make to your HSA in 2025 and 2026. Your spouse, if age 55 or older, can also make a catch-up contribution; however, your spouse must open their own HSA for this contribution.

✓ Consider saving for future qualified medical expenses, including those in retirement

It's estimated that an individual retiring today at age 65 will need \$172,500 to cover health care expenses in retirement.³ Because you are not required to use all the money in your HSA each year, you may want to consider contributing more than you may need in the short term to help pay for qualified medical expenses down the road — even in retirement.

If you can afford to do so, you may want to consider paying current health care expenses out of pocket, allowing your HSA to potentially grow. Consider this hypothetical example:

If you contributed \$3,000 annually to an HSA and earned a 7% return over a 20-year period, you could potentially grow your balance to \$126,471 — that's \$60,000 from your own contributions plus \$66,471 in earnings that you can use to pay for qualified medical expenses, free from federal taxes.⁴

Many types of qualified medical expenses are eligible for payment or reimbursement from your HSA, including:

- Health plan deductibles and coinsurance
- Most medical care and services
- Dental and vision care
- Prescription drugs and insulin
- Over-the-counter medications
- Medicare premiums (if age 65 or older)

✓ Choose how to invest your HSA

If you choose to invest your HSA, consider both your short- and long-term needs.

Looking to invest your HSA?

Visit [Fidelity.com/HSAinvesting](https://www.fidelity.com/HSAinvesting)

PAY FOR CURRENT QUALIFIED MEDICAL EXPENSES

If you're using your HSA to cover current qualified medical expenses, you'll want to ensure easy access to your money. Always prepare for the unexpected by saving enough money in cash to cover your anticipated out-of-pocket medical expenses for the year (including those of your spouse and eligible dependents). If you need help deciding how much to allocate between your cash balance to cover near-term spending and your investable balance, consider the Cash Target Help tool available at [Fidelity.com/HSAinvesting](https://www.fidelity.com/HSAinvesting).

SAVE FOR FUTURE QUALIFIED MEDICAL EXPENSES

Any contributions that are not needed for current medical expenses may be invested for the future. You can start investing at any time by making a one-time trade or setting up automatic investing for future contributions. And there's no required minimum to begin investing and no account transaction fees.⁵

Whether you'd like to be more hands-on or choose from a list of mutual funds, we have strategies that work for you, including:

- **Fidelity HSA® Funds to Consider:**⁶ A professionally selected lineup of fund options, each monitored by Fidelity's investment professionals
- **A Brokerage Platform:** More than 10,000 mutual funds, individual stocks and bonds, ETFs, and CDs available on Fidelity's brokerage platform to select from

If you need assistance deciding how to invest your HSA savings, consider the HSA Investment Recommendation tool at [Fidelity.com/HSAinvesting](https://www.fidelity.com/HSAinvesting), a guided online experience designed to help make confident decisions about how to invest your HSA dollars.

✓ Understand your payment and reimbursement options

There are multiple ways to use your HSA for payment or reimbursement of qualified medical expenses, including but not limited to:

- **Pay with your HSA debit card.** Your Fidelity HSA debit card can be used to pay for qualified medical expenses at the point of sale, when your out-of-pocket cost is known (such as prescriptions). Additionally, most health care providers will allow you to use your HSA debit card to pay for bills you receive in the mail. An HSA debit card can be requested for a spouse or eligible dependents.
- **Pay a health care provider directly using the Fidelity Health® app or NetBenefits®.** Simply select your payment amount and confirm your provider's information, and Fidelity will send payment from your HSA.
- **Pay out of pocket and reimburse yourself.** You can pay for a qualified medical expense and reimburse yourself from your HSA at any time in the future and without penalty. Simply transfer money online from your HSA into another Fidelity account or outside bank account.

✓ Designate your beneficiary

Your Fidelity HSA is an individual account that you may pass on to any heirs when you die.

If you did not designate your beneficiary during the HSA online application process, be sure to designate your beneficiary at Fidelity.com/FidelityHSA.

For more information about your HSA, call a Fidelity HSA service specialist at **800-544-3716** or visit netbenefits.com.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

¹Refers to qualified medical expenses as defined by the IRS.

²Refers to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. See your tax advisor for more information on the state tax implications of HSAs.

³Estimate based on a single person retiring in 2025, 65 years old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates projected with 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.

⁴This 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 return also come with risk of loss.

⁵While there are no minimum investments in the Fidelity HSA Funds to Consider, some funds available through the brokerage platform do require a minimum amount to invest, but Fidelity does not require a minimum to start investing.

⁶In 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.

The information provided in this checklist is general in nature. It is not intended to be, nor should it be construed as, legal or tax advice. Because the administration of an HSA is a taxpayer responsibility, you're strongly encouraged to consult your tax advisor before opening an HSA. You are also encouraged to review information available from the Internal Revenue Service (IRS) for taxpayers, which can be found on the IRS website at **www.IRS.gov**. You can find IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*, and IRS Publication 502, *Medical and Dental Expenses (Including the Health Coverage Tax Credit)*, online, or you can call the IRS to request a copy of each at 800-829-3676.

Fidelity Brokerage Services LLC, Member NYSE, SIPC

900 Salem Street, Smithfield, RI 02917

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Four things to know about a Health Savings Account (HSA)

Have you been hearing the buzz, but you're still not sure what an HSA is or how it works? An HSA pairs with an HSA-eligible health plan¹ to create a unique approach to health care—one that can play a valuable role in your overall health and financial wellness.

Here are four key things to know about an HSA.

It's yours



An HSA is an individual account you own that can be used to pay for out-of-pocket qualified medical expenses that your health plan doesn't cover. You decide how much to contribute,² when to tap into your HSA, and how to invest your savings.

You can use your HSA to pay for qualified medical expenses incurred by you, your spouse, and your dependents—including health plan deductibles and coinsurance, most medical care, dental and vision care, and prescription drugs. The entire balance is yours to keep—even if you change jobs, change medical coverage, or retire.

It's flexible



Spend your HSA today or save it for tomorrow—it's up to you. Because your balance automatically carries over from year to year, you don't have to worry about losing money that you haven't spent. If you're paying for current qualified medical expenses, you can save money in your HSA in cash for easy access. Any savings not needed for current qualified medical expenses can be invested in a wide variety of investment options—including mutual funds, stocks, bonds, and CDs—to potentially grow your balance tax-free for future qualified medical expenses, even in retirement.

Once you reach age 65, you can use your HSA for any expense—just pay normal income taxes on any money used for a nonqualified medical expense.³

It's easy to use



You can save money in your HSA tax-free³ through payroll deductions or by making after-tax contributions by transferring money from another account.

When you decide to use your HSA to pay for a qualified medical expense, you have a variety of options to access your funds. You can use your HSA debit card to easily pay for qualified medical expenses, pay a provider directly using the Fidelity Health[®] app or NetBenefits, or reimburse yourself for expenses paid out-of-pocket. If you do pay out of pocket for a qualified medical expense, you can later reimburse yourself from your HSA at any time without penalty—weeks or even years in the future—provided you have receipts that total the appropriate amount.

A smart way to save money



Because an HSA works together with an HSA-eligible health plan, you can potentially save money on health insurance premiums and reduce your taxable income at the same time.

First, an HSA-eligible health plan generally has a lower monthly premium than a traditional health care plan. Second, an HSA offers three-way tax savings you can't find elsewhere, which can help you save money. Pretax contributions made through payroll deduction lower your taxable income, and after-tax contributions are tax deductible. Also, you don't pay federal taxes⁴ on any investment earnings or on the money you use to pay for qualified medical expenses. Over time, those tax savings could add up.

Want to know more about the Fidelity HSA[®]?

Visit Fidelity.com/healthsavingsaccount or call 800-544-3716 or your plan's toll-free number.



Investing involves risk, including risk of loss.

¹An HSA-eligible health plan is a high-deductible health plan that meets certain IRS requirements with respect to deductibles and out-of-pocket expenses

²Within contribution limits. Refer to IRS Publication 969 for the current contribution limits. All contributions—whether from payroll, your employer or other third parties, personal check, bank transfer, or direct deposit—aggregate toward your maximum annual contribution limit. You are responsible for ensuring that all contributions in aggregate do not exceed your maximum annual contribution limit.

³With 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 HSAs.

⁴Under age 65, distributions used to pay for nonqualified medical expenses are considered taxable income and are subject to a 20% penalty. 4 State tax may apply. See your tax advisor for more information on the state tax implications of HSAs.

Make a Plan for HSA Success

How much should you contribute to your health savings account (HSA)?

The answer is different for everyone. Use this worksheet to create a personalized plan that meets your needs. At a minimum, consider contributing at least enough to cover expected qualified medical expenses.¹ **This worksheet can help you estimate your medical budget and possible HSA contribution.** Let's consider the following budget for a hypothetical employee named Sandy.

STEP 1 Estimate last year's out-of-pocket spending:

Sandy pays all her out-of-pocket qualified medical expenses¹ with her HSA debit card, so she simply checks her year-end spending summary—a common HSA feature. She learns that she spent \$3,000 last year. If you didn't use an HSA debit card last year, consider what you spent for medical plan out-of-pocket costs such as deductibles, copays, and coinsurance. You can usually contact your health insurance carrier, or log in to their website, to find out how much you spent for those expenses.

SANDY	Health care spending last year (from HSA):	\$ 3,000
YOU	Money you paid toward your deductible last year	\$ _____
	Costs that didn't count toward your deductible (such as co-pays, coinsurance, and other qualified medical expenses paid out of pocket)	+ \$ _____
	Health care spending last year	= \$ _____

STEP 2 Subtract one-time costs

Sandy broke her arm last year. Treatment cost was \$1,500, so she subtracts that amount from her total to get a better idea of her ongoing expenses.

SANDY	Health care spending last year	\$ 3,000
	One-time cost (broken arm)	- \$ 1,500
	Estimated ongoing expenses	= \$ 1,500
YOU	Your health care spending last year (from step 1)	\$ _____
	One-time cost (Usually available via your health insurance carrier)	- \$ _____
	Estimated ongoing expenses	= \$ _____

STEP 3 Budget for planned care

Next, **Sandy** adds \$1,000 for some upcoming dental work. If you're not sure how much your planned health care will cost, you may be able to find an estimate online or check with your health insurance provider.

SANDY	Estimated ongoing expenses	\$ 1,500
	Planned health care (dental work)	+ \$ 1,000
	Projected health care costs	= \$ 2,500
YOU	Your estimated ongoing expenses (from step 2)	\$ _____
	Estimated cost of planned health care	+ \$ _____
	Projected health care costs	= \$ _____

STEP 4 Expect the unexpected

Sometimes you can't predict health care needs and costs—but don't worry, your HSA can still help. **Sandy** decides to budget an additional \$1,000 for unforeseen medical expenses.

SANDY	Projected health care costs	\$ 2,500
	Savings for unforeseen costs	+ \$ 1,000
	Total health care budget	= \$ 3,500

YOU	Your projected health care costs (from step 3)	\$ _____
	Savings for unforeseen costs	+ \$ _____
	Total health care budget	= \$ _____

Budget for your HSA contribution

Now that you've estimated your expected medical expenses, you can create a savings plan to make sure you're contributing enough to cover your costs.

BUDGET A Contribute enough to cover your out-of-pocket expenses.	BUDGET B Contribute enough to cover your deductible.	BUDGET C Maximize your contributions up to the applicable limit:
Total health care budget (from step 4)	Deductible	\$4,300 for individual or \$8,550 for family coverage in 2025
Employer contribution	Employer contribution	Catch-up contributions if you're 55 or older, up to \$1,000
Your total contribution ²	Your total contribution ²	Employer contribution
Per pay period; for example 12 (monthly) or 26 (biweekly)	Per pay period; for example 12 (monthly) or 26 (biweekly)	Your total contribution ²
Total pay period contribution	Total pay period contribution	Per pay period; for example 12 (monthly) or 26 (biweekly)
		Total pay period contribution

Even if you start small and contribute just enough to cover your out-of-pocket expenses, consider adding more as your budget allows. Saving a little more can have big benefits in the long term.

And remember, you can pay for lots of everyday medical expenses with your HSA. Not sure which of your expenses are HSA-eligible? Check out ["The Surprising Costs Covered by Your HSA"](#) to learn more.¹



¹Funds from a Health Savings Accounts can be spent for qualified medical expenses only as described in IRS Publication 969.

²Remember, the combined contributions from you and your employer are subject to applicable limits, for 2025 are up to \$4,300 for individual coverage and \$8,550 for a family coverage.

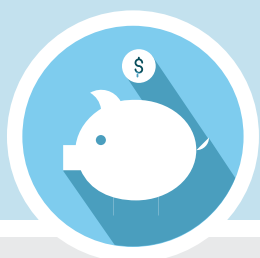
How to make the most of your health plan and Fidelity HSA®.

Your Fidelity Health Savings Account (HSA), which works with your HSA-eligible health plan, can be a great savings vehicle for near-term and future qualified health care expenses. To make sure you're doing all you can to maximize your HSA, consider these following tips:

1 You can contribute to save on taxes.

Remember, an HSA provides a triple-tax advantage*:

- Money goes into your HSA tax-free.
- Your HSA savings used to pay for qualified medical expenses are not taxed.
- Any extra savings can be invested and earnings and interest grow tax free.



2

Shop around to save money.

Your HSA gives you the flexibility to spend as you see fit. For greater savings, consider:

- Generic drugs vs. name brands.
- Urgent care vs. ER (if it's not a life-threatening emergency).
- Clinic vs. hospital (for non-emergency care services, such as MRIs or vision correction).

MAXIMIZE YOUR HSA

Keep retirement in mind.

Think of your HSA as a retirement account for health care costs. Funds you don't use now can be saved and invested for medical expenses in retirement.

3



Chat it up.

- Ask if your doctor has web chat capability to save money and a trip to the office when you're really sick.
- Take advantage of your health plan's online chat function or 800 number for answers to your health care questions.
- Ask what your options are so you can make financially sound health care decisions.



4

Watch a short video to learn more about how to use your Fidelity HSA.

Questions? Call **800.544.3716** to speak with a Fidelity HSA service specialist.



Investing involves risk, including the risk of loss.

*With respect to federal taxation only. Contributions, earnings and distributions may or may not be subject to state taxation. See a tax professional for more information on the state tax implications.

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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Health Savings Accounts

HSAs let you save money on taxes in three ways



GOES IN tax free

Money you save from your paycheck goes into your Health Savings Account (HSA) tax free¹ and lowers your taxable income.

For example:²

If you contribute before taxes: \$3,000

Your take-home pay is reduced by: \$2,110

Your estimated potential tax savings: \$890



IS USED tax free

Use those pretax savings for qualified medical expenses and there's no tax on those withdrawals.



GROWS tax free

What you don't use can be saved from year to year. If you invest any extra savings in your account, you won't be taxed on those earnings.

Ready to get started?

Call a Fidelity HSA service specialist at **800-544-3716**.

Visit **Fidelity.com/HealthSavingsAccount**.

Text **"HSA"** to **343-898** to get a mobile reminder.



Investing involves risk, including risk of loss.

¹With respect to federal income and payroll tax only. Contributions, earnings and distributions may or may not be subject to state taxation. See a tax professional for more information on the state tax implications.

²Estimated annual after-tax cost assumes a single taxpayer in the 22% federal income tax bracket, with a 7.65% payroll tax and no state taxes incurred. Your actual tax savings may be more or less than the estimate shown depending on your taxable federal and state income, deductions, and filing status. Potential changes to federal and/or state tax rates may affect tax savings in future years.

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Investing in a Fidelity HSA®



Frequently Asked Questions

Why invest?

Investing your HSA funds can grow your savings tax-free*, making it easier to cover health care costs in retirement. You have the option to invest some or all of your balance, allowing you to choose the investments that best suit your needs.

What can I invest in?

Investing is an option, which means you make the choice on which investment are right for you. With an HSA you can choose to select and manage your own investments, which can include stocks (including fractional shares), bonds, ETFs, mutual funds, and more. Or, simply choose investments from our pre-selected Fidelity HSA® Funds to Consider. For help selecting between our self-directed options and to learn about our tools, check out this [educational video](#).

Alternatively, if you'd like us to invest for you, we have a managed account option. With a Fidelity Go® HSA our robo advisor chooses and manages your investments based on your long-term goals and risk tolerance, keeping your strategy on track.

For more information on both our self-directed and managed account offering see our [HSA Investment Options](#).

Can I change my HSA investments?

Yes, you can buy and sell your HSA investments as often as you like. Some of these transactions may be subject to standard commissions and investment-related fees. See www.fidelity.com/commissions for more information.

What are the Fidelity HSA® Funds to Consider?

Fidelity has chosen a small number of mutual funds, with no investment minimums or transaction fees, that may be suitable for HSA investors. The Fidelity HSA® Funds to Consider lineup currently consists of mutual funds, both from Fidelity and other fund families, including one active fund in each major asset class. The Fidelity HSA® Funds to Consider also includes single-fund options such as target date funds.

Are the Fidelity HSA® Funds to Consider monitored over time?

Yes. Fidelity's Investment Services research team monitors ongoing fund performance and meets regularly with fund managers. Based on this research, the team may add or replace funds in the lineup as outlooks change.

Investing in a Fidelity HSA®



Frequently Asked Questions

How are the Fidelity HSA® Funds to Consider selected?

Fidelity's Investment Services research team selects these funds based on factors including:

- Low costs: funds with expense ratios in the lower half of their peer groups
- Performance: funds in the top half of their peer groups for 3- or 5 - year performance
- Manager tenure: funds with at least 3 years of continuous leadership by the same portfolio manager
- Style and category: funds that are strong representations of their categories or asset class styles

What are the benefits of Fidelity HSA® Funds to Consider?

The Fidelity HSA® Funds to Consider lineup has several benefits:

- The mutual funds included have zero minimum investments, so they can be purchased with any amount of money. This allows account-holders with small balances to construct a diversified portfolio or set up auto-investing before an account is funded.
- The funds are professionally selected and monitored to ensure that they are a good fit for use in the HSA. This may be especially attractive to less-experienced investors. Selection criteria include cost, 3- or 5-year relative performance, manager tenure, and alignment with its asset class style or category.
- In many cases, the funds have a lower expense ratio (cost) versus the share class of the same fund that's available on the brokerage platform.

Investing involves risk, including risk of loss.

*With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation.

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

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.

FidelityGo® provides discretionary investment management, and in certain circumstances, non-discretionary financial planning, for a fee. Advisory services offered by Strategic Advisers LLC (Strategic Advisers), a registered investment adviser. Brokerage services provided by Fidelity Brokerage Services LLC (FBS), and custodial and related services provided by National Financial Services LLC (NFS), each a member NYSE and SIPC. Strategic Advisers, FBS and NFS are Fidelity Investments companies.

As with all your investments through Fidelity, you must make your own determination whether an investment in any particular security or securities is consistent with your investment objectives, risk tolerance, financial situation, and evaluation of the security. Fidelity is not recommending or endorsing this investment by making it available to its customers.

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