

Are you taking the **right steps** today to prepare for tomorrow?

Many consumers overlook or underestimate healthcare costs in retirement. Here are six things to consider when thinking about your future.

1 THE HARSH REALITY

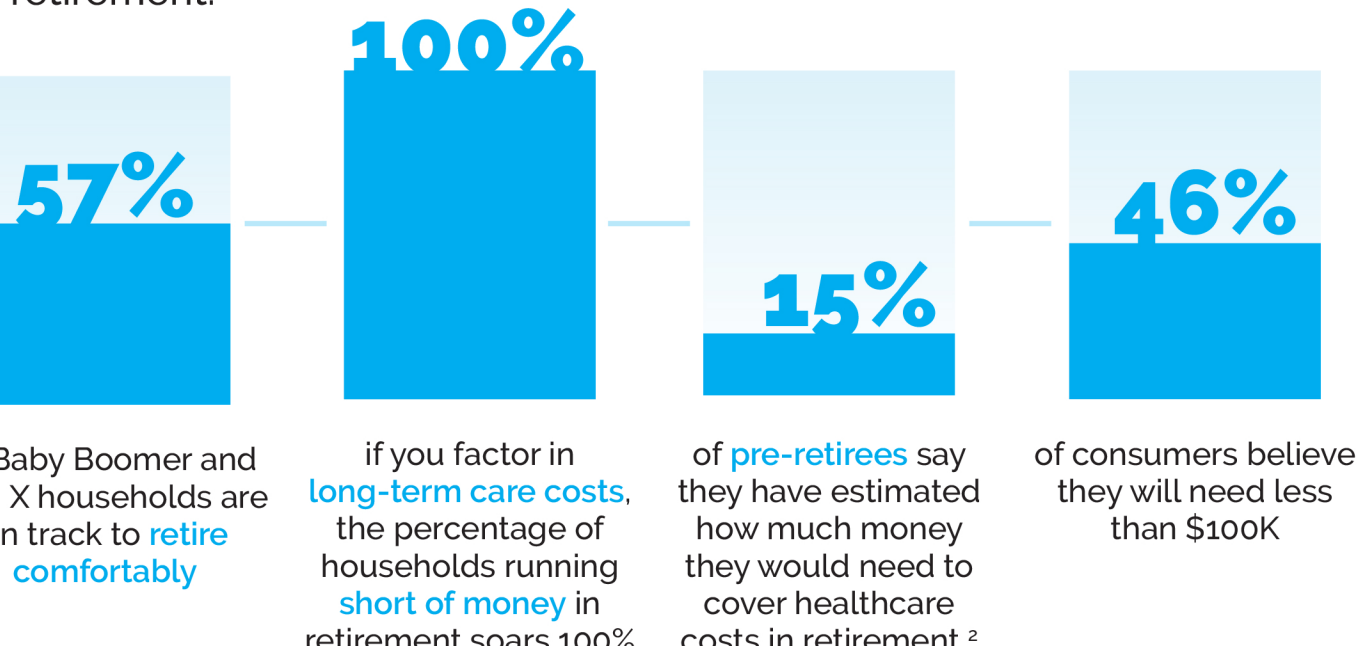
Healthcare costs will be one of consumers' largest expenses in retirement.

\$300,000

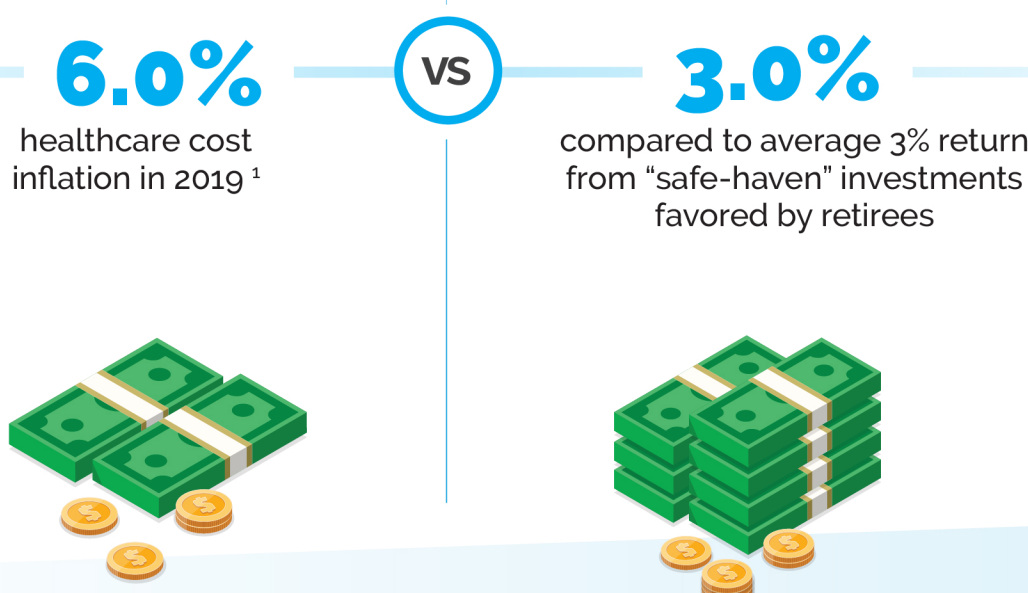
Amount needed by average 65-year-old couple leaving the workforce today to cover medical expenses in retirement ¹

2 HEALTHCARE RETIREMENT COSTS

Many consumers overlook or underestimate healthcare costs in retirement.



BUYING POWER IS DIMINISHED IN RETIREMENT



3 MEDICARE COSTS ARE INCREASING

Many assume Medicare will cover everything, but Medicare costs are increasing

Medicare Part B is going to **cost an average of \$1,735** per person, per year ⁵

On average, Medicare **only covers 64% of healthcare expenses** in retirement ⁵

Medicare Part D drug benefit will be **roughly \$435** per person, per year ⁵

4 LONG-TERM CARE COSTS HAVE SKYROCKETED

70% of Americans age 65 and older are **expected to need long-term** care at some point in their life ⁵

In the last five years of life, many families end up paying **as much as \$100K**

A home health aid **may be \$52K/year** ⁶

A nursing home runs an **average of \$90K/year** ⁶

5 RETIREMENT SAVINGS VEHICLES

There are many possible retirement savings vehicles, each with distinct features and benefits.

HSA's offer the greatest tax benefits

	Tax-free contributions	Tax-free earnings	Tax-free distributions
HSA	●	●	●
401k	●	●	
403B	●	●	
Traditional IRA	●	●	
Roth IRA		●	●
CD			
Mutual Fund			

6 HSA QUICK FACTS

Must be enrolled in a qualifying high deductible health plan to be eligible
> \$1,400 for single coverage
> \$2,800 for family coverage

2022 annual contribution limits
• \$3,650 for single
• \$7,300 for families

Individuals over 55 can make an additional \$1,000 catch up contribution

- ✓ Triple tax advantage
- ✓ Funds can be accessed at any time for qualified medical expenses
- ✓ Funds roll over from year to year
- ✓ Funds can be invested
- ✓ Funds can be used for non-medical expenses without penalty after age 65 (funds are taxed like an IRA)

Careful planning of HSA contributions can enable you to save for healthcare costs – **both now and into retirement!**

¹ Fidelity
² Merrill Lynch
³ PWC
⁴ Medicare.com
⁵ EBRI
⁶ Genworth