

PAYFLEX®

Investing with your PayFlex® health savings account (HSA)

If you're a PayFlex HSA member, you have the opportunity to grow your HSA balance. How? By investing in a variety of mutual funds.

There aren't many accounts where you can make tax-free contributions and tax-free withdrawals, and enjoy tax-free growth.* It's time to start using your HSA to help maximize your ability to save for the future.

The benefits of investing

Once you have a minimum balance of \$1,000 in your HSA, you can open an investment account and start investing your HSA dollars. With an investment account, you can take advantage of the following benefits:

- Access to a diversified group of mutual funds, each professionally managed by an investment adviser
- Integration with Morningstar® research data
- 401(k)-like investment capabilities with no transaction fees for trading
- The ability to move money from your investment account back to your HSA if you need those funds for health care

Investments made simple

You can choose from a variety of mutual funds. And from the PayFlex member website, you can:

- Transfer funds to and from your HSA
- Create recurring transfers to automatically take place each week, month or quarter
- View your investment account information, like investment balances, elections and recent transactions
- Manage your investment account by exchanging your investments with other investments or rebalancing your current investments to a certain percentage



Did you know?

For many Americans, health care is likely to be one of their largest expenses in retirement. Recent estimates say that a 65-year-old couple retiring will need an average of \$275,000¹ to cover medical expenses throughout retirement, not including nursing home care.

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*Please note that not all states provide favorable income tax treatment for HSAs.

¹Estimate based on a hypothetical couple retiring in 2017, 65 years old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates with Mortality Improvements Scale MP-2016. Estimates are calculated for "average" retirees, but 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 Costs 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 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. Life expectancies based on research and analysis by Fidelity Investments Benefits Consulting group and data from the Society of Actuaries, 2014.



Getting started

You may open an investment account once your balance reaches \$1,000. Any amount above the minimum balance can be transferred from your HSA to your investment account.

Once you open an investment account, the State Group Insurance Program will pay your monthly account fee. Fees that you may be responsible for include non-sufficient funds, stop payment, overdrafts and wire transfers. If you're an HSA member, you can view the HSA fee schedule on the PayFlex member website.

To continue to move funds into your investment account, you need to have the minimum balance in your HSA at the time you want to invest. Only the amount that exceeds the minimum balance is available for investing.

Questions?

Visit stateoftn.payflexdirect.com or call us directly at **1-855-288-7936**. We're here to help Monday- Friday, 7 a.m. – 7 p.m. CT, and Saturday, 9 a.m. – 2 p.m. CT.

Note: There may be fees associated with a health savings account ("HSA"). These are the same types of fees you may pay for checking account transactions. Please see the HSA fee schedule in your HSA enrollment materials for more information.

PayFlex Systems USA, Inc.

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Investment services are independently offered through a third-party financial institution. By transferring funds into an HSA investment account you can potentially benefit from capital appreciation in the value of mutual fund holdings. However, you will also be exposed to a number of risks, including the loss of principal, and you should always read the prospectuses for the mutual funds you intend on purchasing to familiarize yourself with these risks.

The HSA investment account is an optional, self-directed service. We do not provide investment advice for HSA investment account participants. You are solely responsible for any investment account decisions you make. Mutual funds and brokerage investments are not FDIC-insured and are subject to investment risk, including fluctuations in value and the possible loss of the principal amount invested. The prospectus describes the funds' investment objectives and strategies, their fees and expenses, and the risks inherent to investing in each fund. Investors should always read the prospectus carefully before making any investment decision. System response and account access times may vary due to a variety of factors, including trading volumes, market conditions, system performance and other factors.

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