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 to pay 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.**

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.

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 2017 and 2018:**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Coverage in an HSA-Eligible Health Plan</td>
<td>$3,400</td>
<td>$3,450</td>
</tr>
<tr>
<td>Family Coverage in an HSA-Eligible Health Plan</td>
<td>$6,750</td>
<td>$6,900</td>
</tr>
<tr>
<td>Additional Catch-Up Contribution (if age 55 or older)</td>
<td>$1,000</td>
<td>$1,000</td>
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**Note:** The amounts indicated above are the maximum aggregate contributions that you and a third party may make to your HSA in 2017 and 2018. Your spouse, if age 55 or older, can also make a catch-up contribution; however, your spouse must open his or her own HSA for this contribution.
Consider saving for future qualified medical expenses, including those in retirement

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
- Medicare premiums (if age 65 or older)

It’s estimated that a couple retiring today at age 65 will need $260,000 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 $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

Choose how to invest your HSA

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

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).

SAVE FOR FUTURE QUALIFIED MEDICAL EXPENSES
Any contributions that are not needed for current medical expenses may be invested for the future. Your options include:

- **Mutual funds from Fidelity and other companies.** Choose from these options to create a portfolio that suits your investment style and outlook. Or consider a single-fund solution designed to match your risk tolerance, time horizon, and investment goals.5

- **Stocks, bonds, Treasuries, and CDs.** Your Fidelity HSA is a full-service brokerage account, providing access to individual securities, trading tools, and low trading fees.

Looking to invest your HSA?
Visit Fidelity.com/guidance for an overview of essential investing concepts and to research investments based on your needs.
Understand your payment and reimbursement options

There are multiple ways to use your HSA for payment or reimbursement of qualified medical expenses, including:

• 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.

• Track and Pay. Simplify how you manage your HSA-Eligible Health Plan and Fidelity Health Savings Account (HSA) by handling your expenses, payments, claims, and receipts all in one place, on any device—smartphone, tablet, or computer.

With Track and Pay you can:
– Track your deductible, HSA balance, and other health expenses
– Upload receipts from your mobile device and manage them from a single location
– Link your insurance carrier, and claims automatically appear
– Pay bills with a single click

• Fidelity BillPay® for Health Savings Accounts. This convenient service enables you to make online payments and keep track of all bill payments. Additionally, you can go paperless by signing up to receive eBills with providers that offer electronic billing. You will receive an email notification when your online bill is available.

• HSA checkbook. Similar to your HSA debit card, you can write a check to pay for known costs at the point of service or pay for a bill you receive in the mail.

• Pay out of pocket and reimburse yourself. You can pay out of pocket for a qualified medical expense and reimburse yourself from your HSA at any time in the future and without penalty by:
– Transferring money online from your HSA into another Fidelity account or outside bank account
– Requesting a check for yourself electronically through Fidelity BillPay® for Health Savings Accounts
– Writing yourself a check using your HSA checkbook
– Contacting Fidelity to request that a check be mailed to you or to transfer money from your HSA into another account

Designate your beneficiary

Your Fidelity HSA is an individual account that you may pass on to your heir(s) 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 Fidelity at 800-544-3716.
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 hypothetical couple retiring in 2016, 65 years old, with average life expectancies of 85 for a male and 87 for a female. 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.
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.
5As with all your investments through Fidelity, you must make your own determination as to whether an investment in any particular security or securities is consistent with your investment objectives, risk tolerance, financial situation, and your evaluation of the security. Fidelity is not recommending or endorsing any investment by making it available to its customers.

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.

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