HSAs: Healthcare Benefit, Retirement Strategy – Or Both?

HSAs by the Numbers

- **Total Assets**: **$173.8 billion**, +19% (2024)
- **Total Investments**: **$85 billion**, +33% (2024)
- **Invested Accounts**: **4.2 million**, **10%** of HSAs
- **Employer Access**: **41%** of workers
- **Employer-Affiliated HSAs**: **2/3** of all HSAs

HSAs vs. 401(k)s

Contributions are made on a pre-tax basis + Earnings accumulate tax-free + Withdrawals are tax-free (for qualifying medical expenses)

401(k)s

HSAs

IRS Updates

HSA Contribution Limit for Individual with Self-Only Coverage: **$4,500** (2027); **$4,400** (2026)

HSA Contribution Limit for Individual with Family Coverage: **$9,000** (2027); **$8,750** (2026)

*Individuals who are age 55 or older by the end of the taxable year may continue to make an additional catch-up contribution of $1,000.

Action Items for Plan Sponsors

- Review HDHP design alongside the HSA strategy
- Evaluate whether the HSA program preserves ERISA safe harbor status
- Evaluate an integration with broader retirement and financial wellness initiatives
- Monitor vendor fees, investment menus and participant engagement