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: Contributions are made on a pre-tax basis; Earnings accumulate tax-free

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

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