

Tax Efficiency: With or Without an HSA...

EMPLOYEE COSTS FOR OUT-OF-POCKET (OOP) EXPENSES

OOP Expenses	How Paid	Funding Required
\$9,000	Compensation	\$15,000
\$9,000	HSA Funds Plus Compensation	\$10,300

This is not local, state or federal tax advice. It is recommended that you seek the independent counsel of a professional tax advisor.

COMPANY COST FOR OOP EXPENSES

Out-of-Pocket Expenses	How Paid	Company Cost
\$9,000	Grossed Up Compensation	\$17,000
\$9,000	Insurance Premium	\$11,000-13,000*

Compounded income tax rate of 40% is for illustrative purposes only. Employer state and federal payroll taxes and other payroll costs are estimated and may vary depending upon the company and state.

*Average composite per primary insured annual premium. Actual premiums will be determined based on standard underwriting guidelines and characteristics of the group.

CUMULATIVE HSA SAVINGS

Value at 5 years	\$40,000
Value at 10 years	\$94,000

Assumes \$7,000 max annual family contribution is made each year and 5% growth rate.

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