**Presentation:**

HSA Planning: Maximizing Tax-Advantaged Savings For Clients' Health Care Expenses

**Presenter:**

Ben Henry-Moreland, CFP®, EA is the Senior Financial Planning Nerd at Kitces.com, where he presents for on-platform events and writes regularly for the Nerd’s Eye View blog. Ben specializes in advanced tax planning strategies, AdvisorTech, and practice management topics with a special interest in addressing the needs of solo RIAs and mid-sized firms. Ben is also the founder of Freelance Financial Planning, an RIA specializing in financial planning and tax preparation for self-employed professionals, where he is able to put into practice the concepts that he writes and speaks about for the Kitces platform.

**Session Description:**

Health Savings Accounts (HSAs) can be a powerful savings tool for middle-income savers, owing to their combination of tax-deductible contributions, tax-free growth, and tax-free withdrawals for qualified medical expenses. And because there’s no time limit for HSA funds to be used during their owner’s lifetime, it’s possible to save and invest them over years or decades, and even to use HSAs as a source of tax-free income in retirement – not only to pay for health care costs during retirement, but also to reimburse any (not-previously-reimbursed) expenses that were incurred any time after the account was opened. By understanding the rules around HSAs – including when individuals and families are eligible to contribute (and how much they can contribute each year), which expenses are eligible (and what records the IRS requires to substantiate them), and what happens to an HSA in the event that the account owner dies – advisors can help their clients navigate HSA planning and get the most out of their tax-advantaged health savings.

**Learning Objectives:**

1. Understand the rules around who is eligible to contribute to HSAs, and how much they can contribute
2. Analyze the ways in which HSA contributions can be coordinated between spouses and in families with children
3. Learn which types of medical expenses are eligible for payment or reimbursement for an HSA
4. Analyze different strategies for saving and accumulating funds in an HSA
5. Examine how the death of an HSA owner will impact the account and its beneficiaries
6. Understand the IRS’s recordkeeping requirements for HSA contributions and withdrawals

**Level of Complexity:**

- CFP: Advanced

**Topic Area(s):**

- CFP: Financial Planning Process, Tax Planning, Estate Planning

- NASBA: Specialized Knowledge (Personal Financial Planning)

**Hour(s) of CE:**

- 1.0 CE

**Outline:**

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| Section | Topic | Time |
| 1 | Overview of HSA contribution and withdrawal rules, and the “triple tax benefit” | 8 minutes |
| 2 | Coordinating HSA contributions for spouses and children | 7 minutes |
| 3 | Strategies for contributing and saving in an HSA | 5 minutes |
| 4 | Eligible medical expenses for HSAs | 5 minutes |
| 5 | HSA rules after the death of the account owner | 5 minutes |
| 6 | HSA recordkeeping rules and documents needed to substantiate HSA-reimbursed expenses | 5 minutes |
| 7 | HSA distribution strategies | 5 minutes |
| 8 | HSA planning for older clients | 5 minutes |
| 9 | Estate planning considerations for HSAs | 5 minutes |
|  | **Total** | **50 minutes** |