



Securing Your Retirement

It's never too late to start planning for retirement. That's because the average employee will accrue more than \$150,000 in medical expenses alone in their retirement.¹ Fortunately, there are a number of tax-advantaged accounts you can use to plan for the future. Here's a quick breakdown of four popular retirement-planning options*:

	Health Savings Account (HSA)	401(K)	Traditional IRA	Roth IRA
Eligibility	Must be enrolled in a High-Deductible Health Plan.	Must be employed at a business that offers a 401(k).	Must have taxable compensation and be younger than 70.5.	Can contribute at any age if you meet certain income requirements.
2021 Contribution Limits	\$3,600 self-only; \$7,200 family. Catch-up contribution of an additional \$1,000 for either if you're 55 or older.	\$19,500 if you're younger than 50; \$26,000 if you're 50 or older.	The lesser of: • \$6,000, or \$7,000 if you're 50 or older ² • Your taxable compensation for the year.	The lesser of: • \$6,000, or \$7,000 if you're 50 or older ² • Your taxable compensation for the year.
Contribution Tax Status	Tax-deductible.	Tax-deductible	Tax-deductible if you qualify (eligibility is based on your retirement plan at work ³).	Taxable
Distribution Tax Status	Tax-free (if funds are used on qualifying expenses).	Taxable.	Taxable.	Tax-deductible if the distributions qualify ⁴ .
Withdrawal Penalties	Penalty applies if funds are used for non-qualified medical expenses.	Generally, withdrawals made before age 59.5 are subject to be included in your gross income, plus a 10 percent penalty.	Generally, withdrawals made before age 59.5 are subject to be included in your gross income, plus a 10 percent penalty.	Generally, withdrawals made before age 59.5 are subject to be included in your gross income, plus a 10 percent penalty.
Investment Options	Standard lineup of mutual funds, and more than 8,500 mutual funds and other investment options for savvy investors with our Health Savings Brokerage Account.	A variety of mutual funds.	Typically, you have a variety of options, including individual stocks, trade options and mutual funds ⁴ .	Typically, you have a variety of options, including individual stocks, trade options and mutual funds ⁵ .

1 Willis Towers Watson

2 Source: CNBC and Forbes

3 <https://www.irs.gov/retirement-plans/ira-deduction-limits>

4 <https://www.irs.gov/retirement-plans/traditional-and-roth-iras>

5 <https://www.nerdwallet.com/article/investing/how-to-invest-ira>

*Information as of July 2019.

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