



HSA Investment FAQs

INTRODUCTION TO HSA INVESTMENT

You may already know about the “triple tax savings” of a Health Savings Account. This description comes from your ability to:

1. Contribute to your HSA tax-free
2. Withdraw from your HSA tax-free
3. Grow your HSA tax-free

The most obvious way to grow your HSA is by contributing pre-tax funds from your paycheck, but did you know you can also grow your balance through investment?

If you have a balance greater than \$2,000 in your HSA, you can invest funds in over 20 different mutual funds – and you can conveniently manage your investments right from your 24HourFlex Consumer Portal.

Still, investment can be complicated. Here are a few of the most frequently asked questions from HSA account holders on HSA investment.

HSA INVESTMENT FREQUENTLY ASKED QUESTIONS

What is the difference between the investment and cash accounts within my HSA?

Your cash account shows the amount of money you have that can be actively used to pay for eligible expenses. The cash account earns interest and is an FDIC-insured savings account that is owned by you. The investment account shows the amount of money you have allocated for investment purposes. The investment account is not FDIC-insured and can gain or lose value.

When am I eligible to invest my HSA funds?

To invest your HSA money, you must have a minimum balance of \$2,000 in your HSA cash account. Any amount greater than \$2,000 can be invested.

Is there a minimum investment amount?

No. You can choose the amount that you invest. As long as you maintain the minimum balance of \$2,000 in your cash account, there is no minimum requirement for how much you allocate for investment.

What are my investment options?

There are over 20 different mutual fund options provided by our HSA custodian, Healthcare Bank. A full list of current investment options can be found [here](#).

How do I know how much to invest and which investment options to choose?

24HourFlex does not provide investment advice, as this is a self-directed investment account. Tools to help you make decisions on the best way to invest your money, including descriptions of each fund, investment calculators, investment planning, and other educational materials, are provided in your investment portal. If you have more complex questions, we recommend speaking with a financial advisor.



Am I taxed on earnings gained through investment?

No. Earnings on money invested from your HSA accrue tax-free. Even after you move money back into your HSA cash account, if you use the money on eligible expenses, it is not taxed. Only if you use your HSA money to pay for non-qualified expenses will the funds be taxed and possibly be subject to an additional 20% tax penalty.

Is there a risk to investing my HSA money?

All investments carry the same risk as the stock market and mutual funds and are not FDIC-insured. The investment options you have with 24HourFlex represent a wide range of risk levels, allowing you to choose how aggressively you want to invest your funds.

Can I set up my investments to “sweep” from my cash account to my investment account automatically?

Yes. When you set up investment transfers in your Consumer Portal, you can set a threshold for the amount of money you want to stay in your cash account (minimum of \$2,000). Anything above the ‘cash threshold balance’ that you set will automatically transfer to your investments on an ongoing basis. You are able to change this at any time.

If I invest money, can I still withdraw it from my investment account to pay for expenses?

Yes. Your funds are still available and can be moved from your investment account to your cash account to pay for health expenses.

Is there a penalty to withdraw money from my investment account and put it back into your my account?

No. Moving money back into your cash account does not result in any tax penalties and does not affect your annual maximum contribution limit.

Is the money in my HSA investment account available for me to make payments?

No. Only HSA money in your HSA cash account is available for debit card transactions. However, you may move money out of your investment account and into your cash account to cover your expenses.

What if I need to use the money before the transfer from my investment account has settled in my cash account?

You may pay for your expense using a different method of payment and reimburse yourself from your HSA by issuing a distribution after the transaction settles.

Can I make changes to my investment elections?

Yes. Realignment of your existing investment balances – that is, trades between mutual funds – are permitted once per trading day. A realignment of your investments initiates the sale of your existing investments and reinvests the proceeds according to your new investment instructions.

Is there a fee to invest my HSA funds?

There are no fees charged by 24HourFlex to invest your HSA money. Certain mutual funds may charge fees, but this can vary among the different options. Please refer to each mutual fund’s prospectus found in your investment portal to find out about each fund’s fees and expenses.