



WEALTH MANAGEMENT

WE BELIEVE

Health care is a vital part of every financial plan

HEALTH IS WEALTH



Since 2000, medical care costs have increased by over 110%.*

Yet people are still slow to take action, either because they're overcome by the enormity of the expected costs or because they believe that health care is somehow magically free after retirement.

It's not. So it's important to ensure that your long-term financial plan addresses how you'll cover your medical expenses—both expected and unexpected. We have planning tools and financial options that can help you.

HEALTH CARE COSTS
HAVE INCREASED

110%

*Annual CPI-U Medical Care data, 2000–2023 (based on growth in annual average price levels).



IT'S NOT A MATTER
OF IF—BUT WHEN—
YOU'LL INCUR
UNEXPECTED
MEDICAL EXPENSES

It's no secret that the fast-growing costs of health care are having an impact on retirement.

In fact, in 2020, adults age 65+ accounted for almost 42%* of all out-of-pocket medical spending despite making up approximately 17% of the population at the time.†

Together, we can create a plan designed to address these costs *before* they arise.

ADULTS AGED 65+



*CMS Public Use File: Out-of-Pocket Spending by Sex and Age Group, 2020.
†2020 U.S. Census Bureau, National Demographic Data.

UNCERTAINTY OVER HEALTH CARE SHOULDN'T DICTATE WHEN YOU RETIRE

68% of surveyed Americans retired before the age of 65.*
If you're planning on retiring early, it's crucial that you understand your options for covering the costs of health care before and during Medicare eligibility.

Why? Because this way, as health care issues and expenses arise, you and your family can meet them with confidence and ease.



68% OF SURVEYED AMERICANS
RETIRED BEFORE THEY REACHED
MEDICARE AGE*

IT'S IMPORTANT TO EVALUATE YOUR OPTIONS WHEN CHOOSING HEALTH CARE COVERAGE IN RETIREMENT

**A COUPLE RETIRING TODAY
CAN EXPECT TO SPEND**

\$315,000

ON HEALTH CARE WHILE LIVING IN RETIREMENT¹

A couple retiring today can expect to spend, on average, \$315,000 in today's dollars on health care while living in retirement (not including the cost of long-term care).

Purchasing additional Medicare coverage may help reduce the out-of-pocket spending you would otherwise be responsible for.

We've guided thousands of clients through the various choices they have when it comes to covering the costs of health care, and we can help you navigate your options.



AN HSA CAN HELP
YOU SAVE NOW—
AND SAVE
TAX-EFFICIENTLY

With a Health Savings Account (HSA),* you get a triple tax advantage² to help you save money. Contributions are tax-free, investments potentially grow tax-free, and withdrawals for qualified medical expenses aren't taxed.

Plus, if you withdraw from your HSA for nonqualified expenses after age 65, there are no penalties, although there may be taxes.

22%

of Fidelity HSAs are invested.[†]
Investing a portion of your HSA balance over the long term could potentially help cover health care costs in retirement.

*HSAs are for eligible account holders with a high-deductible health plan.

[†]Fidelity data as of 2/29/24 for Fidelity HSA® clients. An account is considered "invested" if it has any amount greater than \$1 in a non-money market or cash equivalent.

LONG-TERM CARE INSURANCE HELPS PROTECT YOUR LONG-TERM SAVINGS

70% of people aged 65 and older require some long-term care,^{*3} with an average duration of 4 years.[†] What's more, the median yearly cost of a private room in a nursing home in 2023 was about \$117,000 per year.[‡]

Given the potential strains these expenses can have on both your and your family's finances, it's important to have conversations about how to pay for future care that may include long-term care insurance as part of your plan.

As of 2023, the median annual costs of long-term care ranged from

\$64,000 to \$117,000

depending on the care unit.[‡]



*The Urban Institute and the U.S. Department of Health and Human Services, 2019.

†Administration for Community Living, 2020. Assumes the female gender for a conservative estimate.

‡Genworth Cost of Care Survey, 2023.

TAKING THE NEXT STEP TOGETHER

Planning for retirement. Navigating health care decisions. Tailoring an investment strategy. Creating a legacy plan. With all this and more, we can help you build a consolidated plan to help your wealth reach its full potential. It begins with a conversation.

Work with us to see what's possible for you.



¹Estimate based on individuals retiring in 2023, 65 years old, with life expectancies that align with the Society of Actuaries' RP-2014 Healthy Annuitant rates projected with the Mortality Improvements Scale MP-2020 as of 2022. Actual assets needed may be more or less, depending on actual health status, area of residence, and longevity. Estimate is net of taxes. The Fidelity Retiree Health Care Cost Estimate assumes individuals do not have employer-provided retiree health care coverage but do qualify for the federal government's insurance program, original Medicare. The calculation takes into account Medicare Part B base premiums and cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services, and long-term care.

²With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation.

³Long-term care is a range of services designed to assist you in performing 6 basic personal care needs, called activities of daily living (ADLs), that you may no longer be able to complete on your own. The 6 ADLs include eating, bathing, dressing, toileting, transferring and mobility (the ability to get in and out of bed, a chair, or a wheelchair), and continence. Your care can occur in your home with a certified nurse, in an assisted living facility, or in a full care nursing home.

The information provided herein is general in nature. It is not intended nor should it be construed as legal or tax advice. Because the administration of an HSA is a taxpayer responsibility, you are strongly encouraged to consult your tax advisor before opening an HSA. You are also encouraged to review information available from the Internal Revenue Service (IRS) for taxpayers, which can be found on the IRS website at [IRS.gov](https://www.irs.gov). You can find IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, and IRS Publication 502, Medical and Dental Expenses, online, or you can call the IRS to request a copy of each at 800-829-3676.

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Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

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