

Darcy Bergen Explains How HSAs Can Be a Powerful Retirement Planning Tool

PEORIA, AZ, UNITED STATES, July 9, 2021 /EINPresswire.com/ -- According to research from Fidelity, the average retired couple in 2020 at age 65 could need an estimated \$295,000 in after-tax savings to cover retirement healthcare expenses. As an experienced financial advisor at Bergen Financial Group, [Darcy Bergen explains an emerging trend of using health savings accounts \(HSAs\) as a powerful retirement planning tool.](#)

Considered to be the side-car of the high-deductible healthcare plan (HDHP) plan, HSAs are viewed as a way to pay for today's healthcare expenses. Darcy Bergen often works with clients to help them reconsider the usage of an HSA. Darcy Bergen explains, "I am on a mission of transforming the perspective of the HSA from a vehicle for today's expenses into a vehicle for tomorrow's healthcare expenses in retirement."

[Darcy Bergen suggests clients take full advantage of these tax-advantaged](#) savings accounts. By contributing to an HSA with pre-tax dollars, individuals are able to reduce their taxable income and save for future expenses — similar to the way a 401(k) or other employer-sponsored retirement plan works. Darcy Bergen continues, "It's not enough to just use the HSA as a savings vehicle — you have to make your money work for you. To do so, the individual must invest the funds in a suitable vehicle and allow the proceeds to compound and grow over time." And as an experienced financial advisor, Darcy Bergen offers his clients tailored advice, guidance, and investing strategies designed to maximize risk-tolerate returns.

Darcy Bergen extols, "The best part about using the HSA is it creates the potential for tax-free growth." The preferable tax treatment of HSAs creates the opportunity for greater after-tax balance accumulation and greater investment growth compared to other health care or retirement savings options. "Assuming you use the HSA funds for medical expenses that are qualified, you can avoid federal taxes entirely. Because of this preferential tax treatment, we place it at the top of the list for tax-efficient investment options for your retirement", explains Darcy Bergen.

[Darcy Bergen Guides His Clients to Plan for Success](#)

One often forgotten component of this strategy is to plan for the usage of the HSA in retirement. Darcy Bergen explains a few key strategies for optimizing the use of the HSA. "Those who retire before 65 often still need to pay for health care coverage to bridge the gap to Medicare. While

HSAs can't be used to pay private health care premiums, it can be used if you're paying premiums for coverage purchased through an employer-sponsored plan under COBRA".

Other key strategies Darcy Bergen employs with his clients are to utilize HSA funds to pay for part of the cost of certain long-term care insurances and to pay Medicare expenses, including Part B and D prescription-drug coverage premiums. Darcy Bergen interjects, "It's important to understand that HSA funds can't be used to cover supplemental policy premiums."

While people have become much more aware of how HSAs can be leveraged to pay for healthcare costs, you can also pay other expenses with the funds after turning 65. Darcy Bergen adds, "Most people are shocked to know they can use HSA funds to pay for virtually anything after the age of 65. Whether it's buying a boat or taking a vacation, the funds can be used for non-qualified medical expenses. If you do use those funds for non-qualified medical expenses, you will not be able to take full advantage of the tax savings. In other words, you'll need to pay federal and state taxes on those distributions."

Investment advisory and financial planning services offered through Simplicity Wealth, LLC, a Registered Investment Advisor. Sub-advisory services are provided by Advisory Alpha, LLC, a Registered Investment Advisor. Insurance, Consulting and Education services offered through Bergen Financial Group. Bergen Financial Group is a separate and unaffiliated entity from Simplicity Wealth and Advisory Alpha.

Darcy Bergen
Bergen Financial Group
+1 602-635-4875
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/545863937>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2021 IPD Group, Inc. All Right Reserved.