



Health Savings Accounts (March 19, 2009)

A newer form of health insurance is getting more and more attention. A Health Savings Account (HSA) allows you to save and pay for current and future health care expenses in a tax-advantaged way. You can contribute to an HSA on a pre-tax, payroll deduction basis. Contributions to your HSA belong to you – even if you choose to retire or leave your current employer in the future. There is no “use it or lose it” rule like a Flexible Spending Account – use your funds as needed to pay for current health care expenses or rollover unused funds from year to year and continue to earn interest tax-free.

Assets contributed to and invested in an HSA actually have a tax deferred status that combines both the advantage of pre-tax contributions and tax-free withdrawals, making it the most tax favored investment account available. Your maximum contribution to a HSA plan in 2009 is \$3,000 for an individual and \$5,950 for a family. An annual catch-up contribution is allowed for participants ages 55 and older, which in 2009 is \$1,000 for an individual and \$2,000* for a family.

General Motors, Ford Motor, and Delphi are among the many companies now offering HSAs as an option for employee health insurance. GM offers 15 investment options in their plan, Delphi offers 12 investment options, and Ford offers 9 investment options in which you can invest contributions in your HSA.

We have developed model portfolios (below) for each of these plans. Assets invested in these model portfolios should have at least a five year time horizon. Assets in your HSA needed for near-term medical expenses should be held in a more conservative investment option. Visit our website in the future for updates on HSA plans and updates to our HSA model portfolios.

*If both spouses are age 55 or older

GM HSA Model Portfolio

Columbia Marsico Growth	20%
Columbia Large Cap Enhanced Core	15%
Columbia Small Cap Value	10%
Columbia Mid Cap Growth	20%
Columbia Multi Advisor Intl	10%
Columbia High Income	15%
Columbia Income	10%

Ford HSA Model Portfolio

Davis NY Venture	20%
Victory Diversified Stock	30%
Oppenheimer Main St Small Cap	25%
Dodge & Cox International Stock	15%
Managers Intermediate Duration Govt	10%

Delphi HSA Model Portfolio

John Hancock Large Cap Equity	25%
Keeley Small Cap Value	10%
Munder Mid-Cap Core Growth	25%
American Funds Capital World	15%
PIMCO Real Return	10%
John Hancock High Yield	15%