



FOR IMMEDIATE RELEASE

Follow us on Twitter [@FidelityNews](https://twitter.com/FidelityNews)

Corporate Communications  
(617) 563-5800  
[fidelitycorporateaffairs@fmr.com](mailto:fidelitycorporateaffairs@fmr.com)

Michelle Tessier  
(201) 915-7470  
[michelle.tessier@fmr.com](mailto:michelle.tessier@fmr.com)

MeeJin Annan-Brady  
(201) 915-8219  
[meejin.annan-brady@fmr.com](mailto:meejin.annan-brady@fmr.com)

**MORE ACCESS, NEW CAPABILITIES, ZERO BARRIERS:  
FIDELITY HEALTH CARE SAVINGS ACCOUNTS (HSAs) ARE HELPING MORE  
AMERICANS ADDRESS THE RISING COSTS OF HEALTH CARE**

- *Fidelity's HSA Business Surpasses One Million Account Holders, \$4.1 Billion in Assets*
- *Expanded Availability Direct to Individuals, New Auto-Invest Capability, Plus Elimination of Transaction Fees and Minimums Provide Opportunity for More Investors to Maximize HSAs*
- *Yet 91 Percent of Customers Not Taking Advantage of One of HSA's Most Valuable Benefits*

BOSTON, Feb. 28, 2019 – [Fidelity Investments](https://www.fidelity.com)<sup>®</sup>, one the industry's most diversified financial services firms, today announced double-digit asset growth of its health care savings account (HSA) business, driven by the firm's ongoing efforts to broaden availability and enhance the capabilities these accounts offer to help employers and individuals more effectively manage health care expenses. In 2018, Fidelity:

- **Expanded availability of HSAs** to small- and mid-size employers
- **Introduced a new [retail HSA offering](#)** to individuals who may not have access to an HSA through their employer,
- **Simplified HSAs** by eliminating account transaction fees<sup>1</sup> and minimums to invest<sup>2</sup>,
- **Added *Fidelity HSA<sup>®</sup> Funds to Consider***, a list of curated investment options for HSA owners,
- **Launched auto-invest feature** to encourage investing behaviors, which 91 percent of account holders don't do and instead hold their savings in cash,
- **Optimized education and guidance** available through digital tools supporting savings prioritization and other contribution decisions.

"There is no disguising the sense of urgency we hear from employers<sup>3</sup> and individuals<sup>4</sup> who say that rising health care costs are among their biggest financial concerns. In fact, one-in-four Americans say that health care is the most critical issue facing our country today<sup>5</sup>," said Begonya Klumb, Head of HSA, Fidelity Health Care Group.

“Our efforts to broaden accessibility of Fidelity HSAs and continue enhancing account capabilities are all aimed at helping individuals feel more empowered and prepared to manage their health care costs with simple straightforward options,” continued Klumb.

HSAs are an important component of Fidelity’s goal of becoming a leading digital health care benefits provider, ensuring that employers and individuals have the savings tools and guidance needed to make health care savings a priority. In 2018, Fidelity added 232 new employers that now provide HSAs to their employees. In addition, the firm has more than doubled the number of HSAs under administration in the last three years, with 1,039,500 individual account holders representing more than \$4.13 billion in assets (a 35 percent increase from the start of 2018)<sup>6</sup>. Fidelity is the fourth largest provider of HSAs<sup>7</sup>.

According to Fidelity research, 29 percent of employees with access to an HSA are now enrolled and using one of the triple tax-advantaged<sup>8</sup> health savings accounts, up from 25 percent in 2017<sup>9</sup>. When employers only offer an HSA-eligible health plan, nearly half (49 percent) are electing to add this savings benefit. HSAs offer tax-free contributions, tax-free growth on balances and tax-free withdrawals for qualified health expenses, making them a powerful savings and investing tool to address both current and future health care expenses, even those in retirement.

### **New Enhancements to Fidelity HSA Help Your Balance Work Harder**

One of the most valuable and underutilized [attributes of the HSA](#) is the ability to invest balances for potential growth, building up savings that can be used for longer-term qualified medical expenses, including those in retirement. At the end of 2018, more than 91 percent of Fidelity HSA funded account holders held all of their savings in cash. In fact, nearly half of HSA owners don’t even realize that they can invest contributions to take advantage of long-term potential growth<sup>10</sup>. For those who carry a balance, or don’t already take advantage of maxing out their annual contributions, this represents a significant missed opportunity.

Fidelity recently removed a host of monetary barriers that may hold savers back from utilizing the HSA account for their full benefit. While many HSA providers charge a variety of fees to individual account holders (account opening, funds transfer, debit cards, excess contributions, etc.) and a separate fee to invest an HSA account balance, Fidelity does not charge any account transactions fees or any separate account fee to invest:

- Zero account transaction fees<sup>11</sup>,
- Zero separate account fee to invest<sup>12</sup>, and
- No minimum balances to begin investing<sup>13</sup>.

Fidelity provides a menu of investment options to meet the needs of different types of investors. For account owners looking for a broad range of choice, Fidelity offers a full brokerage platform with access to more than 10,000 investment options.

For those who want a “do-it-myself” solution, but seek a simplified set of options, Fidelity introduced the [Fidelity HSA Funds to Consider](#), a curated list of 25 active and passive fund options with zero account minimums. This list is selected and monitored by Fidelity’s investment professionals, and includes single fund solutions such as target date funds as well as individual asset class options.

For workplace HSA owners looking for a “do-it-for-me” investment solution, coming later this year, Fidelity will be offering an HSA advice solution. Using the *Fidelity HSA Funds to Consider* line-up, Fidelity will help account holders determine first how to allocate HSA savings between transactional cash needs and medium-to-long term investing, and then how to invest those funds based on their investment profile and needs. Regardless of the investment path the account holder chooses, there are no account transaction fees or minimum balance to start investing.

Fidelity also introduced new tools to help workplace HSA owners make more informed contribution decisions, and to simplify the process of investing. Recognizing that many employees want to save for both health care and retirement, but are unsure how to allocate savings, Fidelity provides a point of view to help make the most of pre-tax contributions. For employees with access to both a workplace retirement savings plan like a 401(k) and an HSA, Fidelity’s digital tools can help account owners determine how to prioritize their savings – based on their individual financial circumstances. For instance, the tool guides them on how much to allocate to retirement, how much to set aside in their HSA, and in what order they should make these contributions.

For HSA owners who wish to invest contributions for the future, a simplified auto-invest functionality enables workplace account holders to set a personal cash target to cover short-term medical expenses (or their health plan annual deductible), and then have contributions over and above that target automatically invested for longer-term savings.

### **More Resources to Understand and Plan for Health Care Expenses**

To help individual savers and employers learn more about planning and savings for health care, Fidelity has developed a range of resources, including: [3 healthy habits for health care savings accounts](#); [How to plan for rising health care costs](#); [How to talk to your doctor – and save money](#); [5 ways HSAs can fortify your retirement](#); [Your bridge to Medicare](#); [Getting your HSA in shape](#).

For more insights on how Fidelity workplace HSA owners utilize their accounts, see the [2019 HSA Fact Sheet](#).

# # #

### **About Fidelity Investments**

Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of \$7.1 trillion, including managed assets of \$2.6 trillion as of January 31, 2019, we focus on meeting the unique needs of a diverse set of customers: helping more than 30 million people invest their own life savings, 22,000 businesses manage employee benefit programs, as well as providing more than 13,500 financial advisory firms with investment and technology solutions to invest their own clients' money. Privately held for more than 70 years, Fidelity employs more than 40,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit <https://www.fidelity.com/about>.

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

Fidelity Brokerage Services LLC, Member NYSE, SIPC  
900 Salem Street, Smithfield, RI 02917

877371.1.0

©2019 FMR LLC. All rights reserved.

---

<sup>1</sup>Account transaction fees refers to fees for account features such as account opening, funds transfer, debit cards, excess contributions, etc. and does not include recordkeeping fees, which may be charged to employers. Employers may choose to pass recordkeeping fees on to employees.

<sup>2</sup> There may be funds that require a minimum amount to invest, but Fidelity does not require a minimum to start investing.

<sup>3</sup> Fidelity Client Panel Survey, February 2017

<sup>4</sup> Fidelity Investments Financial Resolutions Survey, November 2018

<sup>5</sup> Fronstin, Paul, "Workers Rank Health Care as the Most Critical Issue in the United States," EBRI Issue Brief, September 24, 2018

<sup>6</sup> Fidelity recordkept data of HSAs as of January 31, 2019

<sup>7</sup> Devenir Research 2018 Year-End HSA Market & Statistics Trends, February 2019

<sup>8</sup> With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation.

<sup>9</sup> Fidelity recordkept data of HSAs through December 31, 2018

<sup>10</sup> Represents the findings of an online survey conducted among a demographically representative U.S. sample consisting of 5,133 adults, 18 years of age and older. Interviewing for this CARAVAN® Survey was completed Dec. 9 - 21, 2016, by ORC International, which is not affiliated with Fidelity Investments. Included in the analysis were 1,309 respondents enrolled in an HSA-eligible health care plan. The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study.

<sup>11</sup> Account transaction fees refers to fees for account features such as account opening, funds transfer, debit cards, excess contributions, etc. and does not include recordkeeping fees, which may be charged to employers. Employers may choose to pass recordkeeping fees on to employees.

<sup>12</sup> Commissions and other expenses associated with transacting or holding specific investments (e.g., mutual funds) may apply. Refer to the fees and commission schedule for additional detail at <https://www.fidelity.com/trading/commissions-margin-rates>.

<sup>13</sup> There may be funds that require a minimum amount to invest, but Fidelity does not require a minimum to start investing.