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**New Database Insights from EBRI:**

**Health Savings Account Size,  
Distributions Increase With Age**

WASHINGTON—On the 10<sup>th</sup> anniversary of their creation, a unique new database offers insights into how Americans are using increasingly common health savings accounts (HSAs).

According to findings from the nonpartisan Employee Benefit Research Institute (EBRI), despite the fact that older individuals use more health care services, on average, than younger individuals, HSA account balances increased with age: In the newly launched EBRI HSA database, individuals under age 25 had an average of \$697 in their HSA at the end of 2013, compared with \$3,780 among individuals ages 55–64. Even individuals ages 65 and older had an average of \$4,460 in their HSA at the end of 2013.

However, the analysis of the EBRI HSA database found that the average annual amount distributed for health care claims also increased with age, as did the likelihood that a distribution was made for a health care claim, at least until older ages. Individuals under age 25 had an average annual distribution of \$667 from their HSA in 2013, compared with \$2,335 among individuals ages 55–64 and \$2,017 among individuals ages 65 and older.

Another key finding; the likelihood of taking a distribution increased from 44 percent among individuals under age 25, to 66 percent among those ages 35–44 and 45–54. That likelihood dipped slightly (to 64 percent) among those ages 55–64 and still further (to 49 percent) among those ages 65 and older.

“The decline in the average amount distributed, as well as the likelihood of there being a distribution for health care claims at older ages, may have been a reflection of fewer people covered by the HSA-eligible health plan as fewer dependent children are covered by older account owners,” noted Paul Fronstin, director of EBRI’s Health Research and Education program, and author of the report.

Additionally, men were found to have more money in their HSA than women. At the end of 2013, men had an average of \$2,326 in their account, while women had \$1,526, according to findings from. The 2013 EBRI HSA database contains data collected from various HSA providers on 1.5 million accounts with total assets of \$2.7 billion as of December 31, 2013, and covers 14 percent of the universe of HSAs and 14 percent of HSA assets. “The project is unique because it includes data provided by a wide variety of account record-keepers and, therefore, represents the characteristics and activity of a broad range of HSA owners,” noted Fronstin.

A health savings account (HSA) is a tax-exempt trust or custodial account that an individual can use to pay for health care expenses. Contributions to the account are deductible from taxable income, and

distributions for qualified medical expenses from the HSA are not counted as taxable income. Tax-free distributions are also allowed for certain premiums. Any interest or other capital earnings from the account build up tax free as well.

Other findings from the EBRI HSA Database:

- The average HSA balance at the end of 2013 was \$1,766, up from \$1,280 at the beginning of the year.
- On average, individuals who made contributions deposited \$2,032 to their account. HSAs receiving employer contributions received \$1,184, on average.
- Four-fifths of HSAs with a contribution also had a distribution for a health care claim during 2013.
- Among HSAs with claims, the average amount distributed for health care claims in 2013 was \$1,953.

The full report, “HSA Balances, Contributions, Distributions, and Other Vital Statistics—A First Look at Data from the EBRI HSA Database on the 10<sup>th</sup> Anniversary of the HSA,” is published in the June 2014 *EBRI Issue Brief* and is available online at [www.ebri.org](http://www.ebri.org). This *Issue Brief* is the first annual report drawing on cross-sectional data from the EBRI HSA Database. It examines account balances, individual and employer contributions, annual distributions, deductibles and type of coverage when the HSA was opened, and account- owner demographics for 2013.

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