

**FOR IMMEDIATE RELEASE: July 14, 2015**

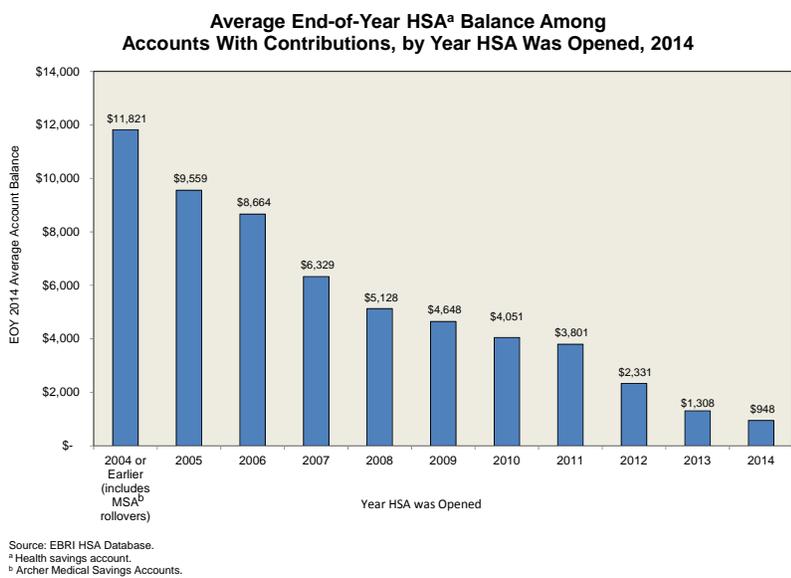
**Contact:** Stephen Blakely, EBRI, 202/775-6341, [blakely@ebri.org](mailto:blakely@ebri.org)  
Paul Fronstin, EBRI (author), 202/775-6352, [fronstin@ebri.org](mailto:fronstin@ebri.org)

**New Research from EBRI:**

## **HSA Balances Show Continued Growth**

WASHINGTON—Average health savings account (HSA) balances increased from \$1,408 to \$1,933 (up about 37 percent) in 2014, according to a new report by the nonpartisan Employee Benefit Research Institute (EBRI).

An 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.



HSAs are significant because they are a key part of so-called “consumer-driven” health plans. The number of employers expected to offer an HSA-eligible health plan either as an option or as the only health plan option is expected to continue to increase—meaning that HSA-eligible health plans and HSAs are expected to grow as a vital component of employment-based health coverage.

Starting from nothing about a decade ago, enrollment in HSA-eligible health plans is estimated to be about 17 million policyholders and their dependents in 2014.

On a yearly average, individuals who made contributions deposited \$2,096 to their account while HSAs receiving employer contributions received \$1,021 a year, on average. HSAs with either individual or employer contributions accounted for 70 percent of all accounts and 86 percent of the assets in 2014. Four percent of these accounts ended the year with a zero balance.

Paul Fronstin, director of EBRI’s Health Research and Education Program and author of the report, noted that this was the first year the EBRI HSA Database contained usable data on accounts with investment assets. About 6 percent of HSAs had an associated investment account, and end-of-year 2014 balance averages were higher in accounts with investment assets. Thirty-seven percent of HSAs with investment

assets ended 2014 with a balance of \$10,000 or more, whereas only 4 percent of HSAs without investment assets had such a balance.

Among HSAs with investment assets, accounts opened in 2014 ended the year with an average balance of \$6,544; whereas those opened in 2005 had an average balance of \$19,269 at the end of 2014.

Among other findings in the EBRI report:

- Four-fifths of HSAs with a contribution also had a distribution for a health care claim during 2014. Among HSAs with claims, the average amount distributed for health care claims was \$1,951.
- Distributions for health care claims increased with age, with the exception of those ages 65 and older. Average annual distributions were \$636 for account owners under age 25; \$2,373 for account owners ages 55–64; and \$2,124 for account owners ages 65 and older. Average annual distributions were higher for accounts that were older. However, the likelihood of taking a distribution for health care claims was higher among accounts opened more recently.

The full report, “Health Savings Account Balances, Contributions, Distributions, and Other Vital Statistics, 2014: Estimates from the EBRI HSA Database,” is published in the July 2015 *EBRI Issue Brief*, online at [www.ebri.org](http://www.ebri.org)

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to [www.ebri.org](http://www.ebri.org) or [www.asec.org](http://www.asec.org)