At a Glance | September 23, 2021

Contributions to New HSAs Reduce 401(k) Contributions, but Only Marginally

Findings from the EBRI/ICI Participant-Directed Retirement Plan Data Collection Project and EBRI’s HSA Database

### 401(K) Contributions with HSA

The median reduction in 401(k) contributions the first year participants made HSA contributions was $34. The change ranged from a decrease of $5,127 at the 10th decile to an increase of $1,143 at the 90th decile.

### 401(K) Contribution Impact

Contributions to 401(k) plans were unaffected among participants contributing $8,500 or less in Year 1. However, contributions decreased $540 among those contributing $8,501 or more.

### HSA Contribution Impact

Higher HSA contributions were associated with lower 401(k) contributions. Among HSA participants contributing $1,000 or less, median 401(k) contributions fell only $8. Contributions fell $315 among HSA participants contributing more than $4,350.

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**SOURCE:** Spiegel, Jake, and Paul Fronstin, “Two’s a Crowd: Do HSA Contributions Crowd out 401(k) Contributions?” EBRI Chartbook (Employee Benefit Research Institute, February 2021).

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