

Loving your HSA and 401(k)



The Health Savings Account (HSA) is great for current or future health care expenses, even after you retire. Your 401(k) Savings Plan builds retirement savings. CVS Health® contributes to both accounts for eligible colleagues, and both can save on taxes. Here's more!

Physical wellness

Emotional wellness

✓ **Financial wellness**



Quick quiz:
Where should you save?

- A. HSA** — for health expenses near-term or in retirement
- B. 401(k)** — and get company matching contributions
- C. Both** — the ideal for most people

Because both support your financial wellness, **here's why "C" is the best answer:**

HSA



- If enrolled in a Health Savings Plan (HSP) and are eligible for an HSA, **you automatically get a CVS Health contribution each pay period.**
- **You can save taxes** on your contributions, investment earnings and withdrawals for qualified health care expenses.
- Unused dollars **never expire and are available** for future health needs, even in **retirement.**

401(k)



- Get a **dollar-for-dollar CVS Health 401(k) match**, up to 5% of eligible pay, each pay period.
- Start early: Investing and the power of **compounding** can help even small contributions multiply.
- The 401(k) has options for you to **access your savings while you are working**, under certain circumstances.

Both the HSA and 401(k) Savings Plan can offer big **tax advantages** and are accounts you control, helping you build **financial stability** for near-term health and emergency needs and **financial security** for retirement goals.

More reasons to love your HSA and 401(k)

| | Health Savings Account (HSA) | 401(k) Savings Plan |
|---------------------------------|--|---|
| CVS Health contributions | <ul style="list-style-type: none"> • Made each paycheck, based on your medical coverage level (annual contribution of \$500 for individual or \$1,000 for family) | <ul style="list-style-type: none"> • Made each paycheck that you contribute • Dollar-for-dollar matching contributions, up to 5% of eligible pay (eligible after one year of service) • No tax on company matching contributions while in the plan |

| | Health Savings Account (HSA) | 401(k) Savings Plan |
|-----------------------------------|---|---|
| Tax advantages | Enjoy three types of tax savings unique to HSAs: <ul style="list-style-type: none"> No tax on your (and company) contributions No tax on investment earnings No tax on withdrawals for qualifying health care expenses Note: HSAs are subject to state income tax in California and New Jersey. | Choose either or both options: <ul style="list-style-type: none"> Pretax 401(k): No tax on your contributions; contributions and earnings taxed at distribution Roth Post-tax: Contributions taxed before going into your account; no tax on contributions or earnings at distribution if meet qualified distribution rules |
| Maximum you can contribute | For 2024, \$4,150/single or \$8,300/family, plus \$1,000 catch-up if age 55 or older | For 2024, \$23,000, plus \$7,500 catch-up if age 50 or older |
| Access to funds | <ul style="list-style-type: none"> Tax-free withdrawals any time for eligible medical, prescription, dental or vision expenses Non-health care withdrawals subject to regular income taxes and 20% tax penalty (no penalty after age 65) | <ul style="list-style-type: none"> Several payment options when you leave or retire from CVS Health Loans or withdrawals available under certain circumstances while you're still working Taxes may apply, including additional tax penalties for distribution before age 59½ |
| Investments — you control* | Once your account balance reaches \$1,000, you can invest in mutual funds tax-free with Inspira Financial | You can invest all contributions in the plan's investment options |

How much to save?

Start, stop or change your contributions any time.

For your **HSA**, plan ahead and save for expected health care expenses. Be ready for the unexpected, too. You can start small. With an extra \$2 to \$5 per paycheck, build funds to help pay for prescriptions or reduce costs for doctor visits. Unused funds roll over.

For **401(k) saving**, start early, even if at a low percentage. You can increase your contributions in the future. With Voluntary Auto Escalation, automatically increase your contribution rate each year to whatever final goal you set, up to annual IRS limits. Watch your account grow.

Know and use your resources



[BenefitMoments.com](https://www.benefitmoments.com)



Inspira Financial (HSA):

[CVSHealth.inspirafinancial.com](https://www.cvshealth.inspirafinancial.com)
or 1-888-678-7646

Vanguard (Future Fund):

[vanguard.com/retirementplans](https://www.vanguard.com/retirementplans)
or 1-888-694-7287

Are you an HSA spender, saver or investor?



Spenders set aside tax-free money to have tax-free funds ready for medical expenses.

Savers grow and protect HSA funds for future planned events like surgery or pregnancy, or surprises.

Investors pay bills out of pocket when possible and move amounts over a \$1,000 account balance to an investment account, with a goal to grow their HSA.

On the Inspira Financial home page, scroll to **View my investment journey** for first-time investors or **Manage Investments > My Investments**. Choose the amount to invest and allocate across the available mutual funds. You can have future contributions over a \$1,000 account balance automatically added to your investment account. When needed to cover eligible expenses, move funds back to your HSA at any time by selling your mutual funds (normal market transaction timeframes apply).

* All investments involve risk, including loss of principal.

This summary provides a brief overview, primarily for colleagues regularly scheduled to work 30 or more hours per week, and is for informational purposes only. Note that HSAs are not offered in Hawaii and Puerto Rico as medical plans differ. If there's any difference between this and plan documents, official plan documents govern. CVS Health reserves the right to amend, modify or terminate all or part of its benefit plans at any time. This description isn't an employment contract or guarantee. Colleagues may need to meet certain eligibility requirements to participate. Colleague contributions are not used to pay plan expenses for vendors or other service providers that are subsidiaries of CVS Health, except as may be permitted by ERISA. Union colleagues aren't covered unless their collective bargaining agreement specifically provides for a benefit.

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