

Health Savings Account Balances, Contributions, Distributions, and Other Vital Statistics, 2014: Estimates from the EBRI HSA Database

By Paul Fronstin, Ph.D., Employee Benefit Research Institute

A T A G L A N C E

- The Employee Benefit Research Institute (EBRI) maintains a wealth of data collected from various health savings account (HSA) providers. The EBRI HSA Database contains 2.9 million accounts with total assets of \$5 billion as of Dec. 31, 2014. This *Issue Brief* is the second annual report drawing on cross-sectional data from the EBRI HSA Database. It examines account balances, individual and employer contributions, annual distributions, investment accounts and account-owner demographics for 2014.
- Enrollment in HSA-eligible health plans is estimated to be about 17 million policyholders and their dependents, and it has also been estimated that there are 13.8 million accounts holding \$24.2 billion in assets as of Dec. 31, 2014. Almost 4 in 5 HSAs have been opened since the beginning of 2011.
- The average HSA balance at the end of 2014 was \$1,933, up from \$1,408 at the beginning of the year. Average account balances increased with the age of the owner of the account. Account balances averaged \$655 for owners under age 25 and \$5,016 for owners ages 65 and older.
- About 6 percent of HSAs had an associated investment account. 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.
- 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.
- On a yearly average, individuals who made contributions deposited \$2,096 to their account. HSAs receiving employer contributions received \$1,021 a year, on average.
- 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.

Paul Fronstin is director of the Health Education and Research Program at the Employee Benefit Research Institute (EBRI). This *Issue Brief* was written with assistance from EBRI’s research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

Copyright Information: This report is copyrighted by the Employee Benefit Research Institute (EBRI). It may be used without permission but citation of the source is required.

Recommended Citation: Paul Fronstin, “Health Savings Account Balances, Contributions, Distributions, and Other Vital Statistics, 2014: Estimates from the EBRI HSA Database,” *EBRI Issue Brief*, no. 416, (Employee Benefit Research Institute, July 2015).

Report Availability: This report is available on the Internet at www.ebri.org

Table of Contents

Introduction	4
What is an HSA?.....	4
Eligibility	4
Contributions.....	5
Distributions.....	5
Archer Medical Savings Accounts	5
Transfers	6
Trends in HSA-Eligible Health Plan Enrollment	6
Outlook for Enrollment	6
Open Accounts	6
About the EBRI HSA Database.....	8
HSA Owners by Account Status	8
Accounts With Contributions.....	10
Accounts Without Contributions	10
Summary of Average Account Activity	10
Demographics of HSA Owners	12
Contributions to HSAs.....	12
Account Status Differences.....	12
Accounts With Contributions.....	12
End-of-Year 2014 Account Balances.....	16
Distributions.....	21
Net Contributions	21
Conclusion	21
References.....	25
Endnotes	25

Figures

Figure 1, Statutory HSA Limits, 2004–2016.....	5
Figure 2, HSA and HRA Enrollment Rates, 2005–2014	7
Figure 3, Percentage of Employers Offering HSA-Eligible Health Plan/HRA, by Firm Size, 2010–2014, With Projections Through 2017.....	7
Figure 4, HSAs, by Year Account was Opened	9
Figure 5, HSAs, by Month Account was Opened	9
Figure 6, HSAs, by Account Status, Open Accounts, 2014.....	11
Figure 7, Summary of Average Account Activity, 2014.....	11
Figure 8, Average Individual Contribution, by Presence of Employer Contribution, 2014.....	13
Figure 9, HSA Owners, by Age, 2014	13
Figure 10, HSAs, by Level of Individual, Employer and Total Contributions, 2014.....	14
Figure 11, HSAs, by Level of Individual Contributions and Presence of Investment Account, 2014	14
Figure 12, HSA Owners, by Age and Account Status, 2014	15
Figure 13, HSAs, by Year When Account Was Opened and Account Status, 2014	15
Figure 14, HSAs With Contributions, by Level of Individual, Employer and Total Contributions, 2014	17
Figure 15, HSAs With Contributions, by Level of Individual Contributions and End-of-Year Account Balance, 2014	17
Figure 16, HSAs With Contributions, by Level of Employer Contributions and End-of-Year Account Balance, 2014.....	18
Figure 17, HSAs With Contributions, by Level of Combined Individual and Employer Contributions and End-of-Year Account Balance, 2014	18
Figure 18, Average HSA End-of-Year Account Balance, by Presence of Investment Account, 2014	19
Figure 19, Average End-of-Year Account Balance Among HSAs With Contributions, by Age of HSA Owner, 2014	19
Figure 20, Average End-of-Year HSA Balance Among Accounts With Contributions, by Year HSA Was Opened, 2014 ..	20
Figure 21, Average End-of-Year HSA Balance Among Accounts With Contributions and Presence of Investment Account, by Year HSA Was Opened, 2014	20
Figure 22, Average Annual Distributions Among Accounts With Claims and the Likelihood of Having a Distribution for a Health Care Claim, by Age of HSA Owner, 2014	23
Figure 23, Average Annual Distributions Among HSAs With Claims and the Likelihood of Having a Distribution for a Health Care Claim, by Year HSA Was Opened, 2014	23
Figure 24, Average Annual Distributions Among HSAs With Claims and the Likelihood of Having a Distribution for a Health Care Claim, by Presence of Investment Account, 2014	24
Figure 25, Annual Contributions, Claims, and Net Contributions, by Age Among HSA Owners With Both Contributions and Claims, 2014	24

Health Savings Account Balances, Contributions, Distributions, and Other Vital Statistics, 2014: Estimates from the EBRI HSA Database

By Paul Fronstin, Ph.D., Employee Benefit Research Institute

Introduction

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) includes a provision to allow individuals enrolled in certain high-deductible health plans to open and fund a health savings account (HSA), effective Jan. 1, 2004. Enrollment in these HSA-eligible health plans is estimated to be about 17 million policyholders and their dependents in 2014.¹ It has also been estimated that there are 13.8 million accounts holding \$24.2 billion in assets as of Dec. 31, 2014.² The number of employers expected to offer an HSA-eligible health plan, either as a health plan option or as the only health plan option, is expected to continue to increase.³

While there is growing literature around how individuals in HSA-eligible plans use and pay for medical services,⁴ data on accounts and account-owners is scant. The most recent report by America's Health Insurance Plans (AHIP) with data on account balances, contributions, distributions, and account owner demographics is based on 2012 data.⁵ Devenir reports limited, aggregate data from a survey of HSA providers.⁶

The EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey (CEHCS), conducted annually since 2005, collects information on enrollees in HSA-eligible health plans but relies on self-reported information regarding HSA account balances, contributions, distributions, and account-owner demographics for individuals enrolled in HSA-eligible health plans.⁷ As an expansion of this research, EBRI has created the EBRI HSA Database to collect a large, representative repository of administrative information about HSAs and account owners. This *Issue Brief* is the second annual report drawing on cross-sectional data from the EBRI HSA Database. It examines account balances, individual and employer contributions, annual distributions, investment accounts and account-owner demographics for 2014.

What is an HSA?

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.

Eligibility

HSA-eligible health plans have statutory minimum deductible levels and maximum out-of-pocket limits. An individual must be covered by an HSA-eligible health plan in order to make tax-free contributions to an HSA. In 2015, the HSA-eligible health plan must have an annual deductible of at least \$1,300 for self-only coverage or \$2,600 for family coverage. Certain preventive services can be covered in full and do not have to be subject to the deductible. The out-of-pocket maximum may not exceed \$6,450 for self-only coverage and \$12,900 for family coverage, with the deductible counting toward this limit. The minimum allowable deductible and maximum out-of-pocket limit are indexed to inflation. See Figure 1 for historical statutory HSA limits. A network plan may impose a higher deductible and an out-of-pocket limit for out-of-network services.

In addition to the limits described above, to be eligible to contribute to an HSA, an individual may not be enrolled in other health coverage, such as a spouse's plan, unless that plan is also an HSA-eligible health plan. An individual also may not make an HSA contribution if he or she is claimed as a dependent on another person's tax return. However, individuals are allowed to have supplemental coverage with deductibles below the statutory HSA-eligible health plan minimum for such things as vision care, dental care, certain specific diseases, and insurance that pays a fixed amount

per day (or other stipulated period) for hospitalization. Individuals enrolled in Medicare are not eligible to make HSA contributions, although if they have an HSA they are able to withdraw money from it for qualified medical expenses and certain premiums.⁸

Figure 1
Statutory HSA* Limits, 2004–2016

	Minimum Deductible		Maximum Contribution		Maximum Out-of-Pocket Limit		Per-Person Catch-Up Contribution Limit
	Individual	Family	Individual	Family	Individual	Family	
2004	\$1,000	\$2,000	\$2,600	\$5,150	\$5,000	\$10,000	\$500
2005	1,000	2,000	2,600	5,150	5,000	10,000	600
2006	1,050	2,100	2,700	5,450	5,250	10,500	700
2007	1,100	2,200	2,850	5,650	5,500	11,000	800
2008	1,100	2,200	2,900	5,800	5,600	11,200	900
2009	1,150	2,300	3,000	5,950	5,800	11,600	1,000
2010	1,200	2,400	3,050	6,150	5,950	11,900	1,000
2011	1,200	2,400	3,050	6,150	5,950	11,900	1,000
2012	1,200	2,400	3,100	6,250	6,050	12,100	1,000
2013	1,250	2,500	3,250	6,450	6,250	12,500	1,000
2014	1,250	2,500	3,300	6,550	6,350	12,700	1,000
2015	1,300	2,600	3,350	6,650	6,450	12,900	1,000
2016	1,300	2,600	3,350	6,750	6,550	13,100	1,000

Source: www.treasury.gov/resource-center/faqs/taxes/pages/health-savings-accounts.aspx
* Health savings account.

Contributions

Both individuals and employers are allowed to contribute to an HSA. Contributions are excluded from taxable income if the employer makes them, and deductible from taxable income if the individual account owner makes them. In 2015, the maximum annual contribution is \$3,350 for individual coverage and \$6,650 for family coverage, up from \$3,300 for individual coverage and \$6,550 for family coverage in 2014.

Additionally, individuals who have reached age 55 and are not yet enrolled in Medicare may make catch-up contributions. In 2015, a \$1,000 catch-up contribution is allowed. The catch-up contribution is not currently indexed to inflation.

Individuals with an HSA-eligible health plan are not required to make a contribution or to establish an HSA.

Distributions

Distributions from an HSA can be made at any time. An individual need not be covered by an HSA-eligible health plan to withdraw money from the HSA. Distributions are excluded from taxable income if they are used to pay for qualified medical expenses as defined under Internal Revenue Code (IRC) Sec. 213(d). Distributions for premiums for COBRA coverage, long-term care insurance, health insurance while receiving unemployment compensation, and insurance while eligible for Medicare other than for Medigap, are also tax free.

Distributions for nonqualified medical expenses are subject to regular income tax as well as a 20 percent penalty, which is waived if the owner of the HSA dies, becomes disabled, or is eligible for Medicare.

Archer Medical Savings Accounts

Prior to the availability of HSAs, Archer Medical Savings Accounts (MSAs) were authorized as a demonstration project under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Workers were eligible to set up an MSA if employed at a firm with 50 or fewer employees. The self-employed were also eligible. Both were required to be covered by a high-deductible health plan in order to be able to contribute to an MSA. When the MMA created HSAs,

existing MSAs were grandfathered, but as of Dec. 31, 2007, no new MSAs could be opened. However, individuals with an MSA were allowed to transfer those account balances to an HSA.

Transfers

Individuals are able to transfer funds from one HSA into another without subjecting the distribution to income and penalty taxes as long as the transfer occurs within 60 days of the date funds are received.

Trends in HSA-Eligible Health Plan Enrollment

There are a number of surveys that track enrollment in HSA-eligible health plans. Each survey is different and each has strengths and limitations. The EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey has been conducted annually since 2005. The CEHCS is conducted to provide reliable national data on the growth of consumer-driven health plans (CDHPs) and high-deductible health plans and their impact on the behavior and attitudes of health care consumers. It finds that 14.7 percent of individuals with private health insurance coverage (about 26 million individuals) were enrolled in a CDHP in 2014 (Figure 2). Over 8 percent had opened an HSA or had a health reimbursement arrangement (HRA), while 6.3 percent (about 8 million adults) were in an HSA-eligible health plan but had not opened an account. One of the limitations of the CEHCS is that HSA enrollees cannot be separated from HRA enrollees.

The Kaiser Family Foundation (KFF) tracks HSA and HRA enrollment separately and found that of the 20 percent of workers enrolled in either an HSA-eligible health plan or HRA in 2014,⁹ 14 percent were in an HSA-eligible health plan and 7 percent were in an HRA.¹⁰ Applying these estimates to the CEHCS would suggest that 17.2 million individuals were enrolled in an HSA-eligible health plan in 2014.

AHIP found that the number of people enrolled in an HSA-eligible plan was 17.4 million in January 2014.¹¹ Mercer found that 23 percent of workers with employment-based coverage were covered by either an HSA-eligible health plan or an HRA in 2014.¹²

The National Health Interview Survey (NHIS) found that the percentage of individuals with private insurance covered by an HSA-eligible health plan was 13.1 percent in 2014, but also found another 23.6 percent were in HSA-eligible health plans and had not opened the HSA.¹³

Outlook for Enrollment

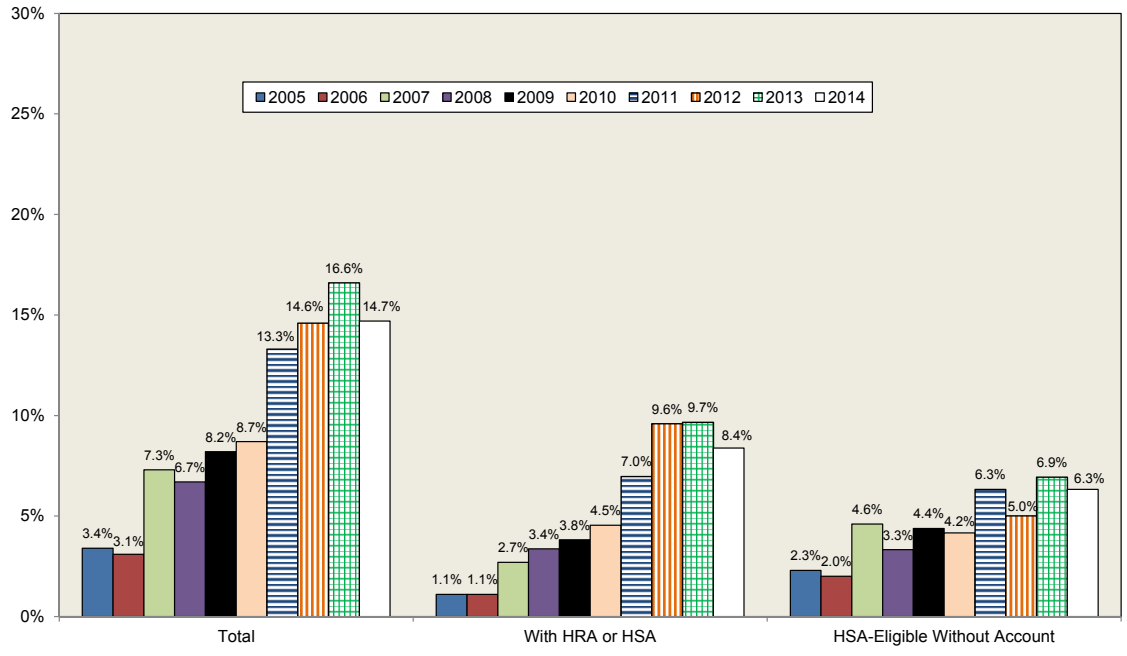
Enrollment in HSA-eligible health plans is expected to grow. According to Mercer, 27 percent of employers with 10–499 employees and 48 percent of employers with 500 or more employees offered an HSA-eligible health plan or HRA in 2014 (Figure 3). By 2017, 36 percent of employers with 10–499 employees and 66 percent of employers with 500 or more employees are very likely to offer such a health plan. It is expected that 18 percent of employers with 500 or more workers will offer an HSA-eligible health plan or HRA as the only plan option by 2017.¹⁴

Open Accounts

While there were about 17 million individuals enrolled in HSA-eligible health plans in 2014, there were only 13.8 million open accounts as of Dec. 31, 2014.¹⁵

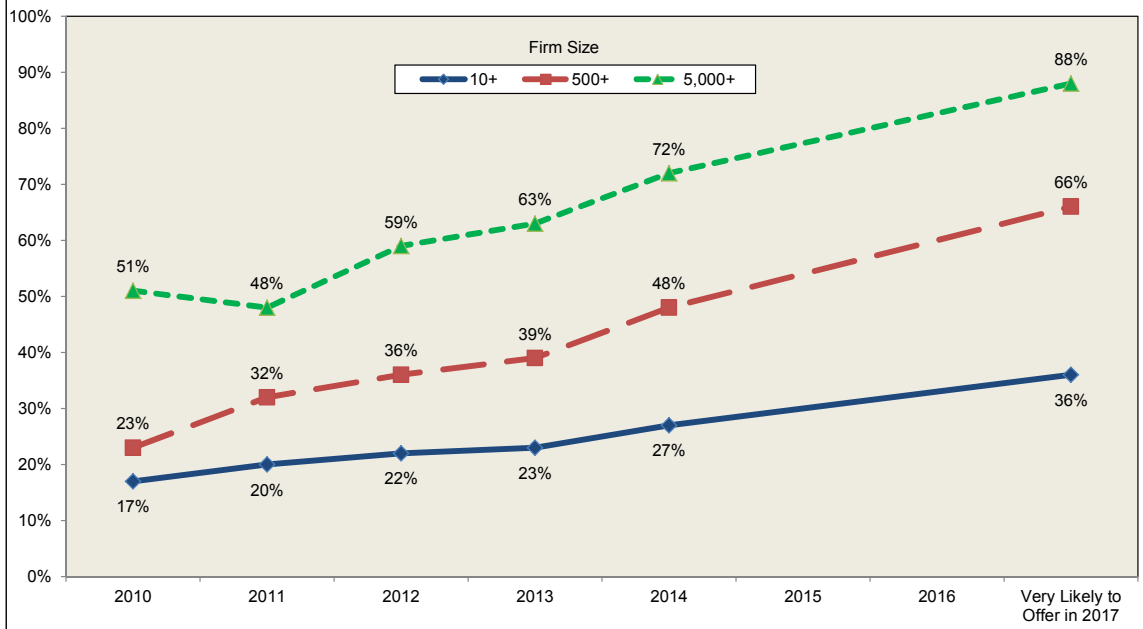
The number of enrollees in HSA-eligible health plans differs from the number of accounts for various reasons. The number of enrollees is composed of the policyholder and any covered dependents and generally is higher than the number of accounts because one account is usually associated with a family. Hence, the number of individuals enrolled in an HSA-eligible health plan generally is higher than the number of accounts. However, over time, the number of accounts can grow relative to the number of enrollees because when an individual or family is no longer covered by an HSA-eligible health plan, they are allowed to keep the HSA open. Furthermore, individuals and families can have more than one account.

Figure 2
HSA^a and HRA^b Enrollment Rates, 2005–2014



Source: EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2005–2007; EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2008–2014.
^a Health savings account.
^b Health reimbursement arrangement.

Figure 3
Percentage of Employers Offering HSA-Eligible^a Health Plan/HRA,^b by Firm Size, 2010–2014, With Projections Through 2017



Source: Mercer's National Survey of Employer-Sponsored Health Plans.
^a Health savings account.
^b Health reimbursement arrangement.

About the EBRI HSA Database

The EBRI HSA Database Project is a large, representative repository of information about individual HSAs. As of Dec. 31, 2014, the EBRI database includes statistical information for:

- 2.9 million health savings accounts.
- \$5.0 billion in assets.

The 2014 EBRI HSA database covers 21 percent of the universe of HSAs and 21 percent of HSA assets.¹⁶ 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.

Several recordkeeping organizations provide de-identified data on HSA owners as of year-end 2014. Records are de-identified prior to inclusion in the database to conceal the identity of account owners, but the data are coded so that account owners can be tracked over time, a unique aspect of the EBRI HSA Database.¹⁷ Another unique aspect of the EBRI HSA Database is that it can link the accounts of individuals with more than one account in the database, thus permitting the aggregation of the HSA asset totals of individuals with multiple accounts, within or across account record-keepers, providing a more complete picture of the number of individuals with accounts and their HSA assets. Moreover, the EBRI HSA Database also contains information about the year of birth of account owners and month and year the HSA was opened.¹⁸ Data for each account also include individual and employer contributions, as well as beginning- and end-of-year account balances.

Nearly all of the accounts opened in December 2014 have no activity (i.e., no individual or employer contributions) and zero account balances, and thus are excluded from the analysis as new accounts that are most likely not eligible for contributions until January 2015.

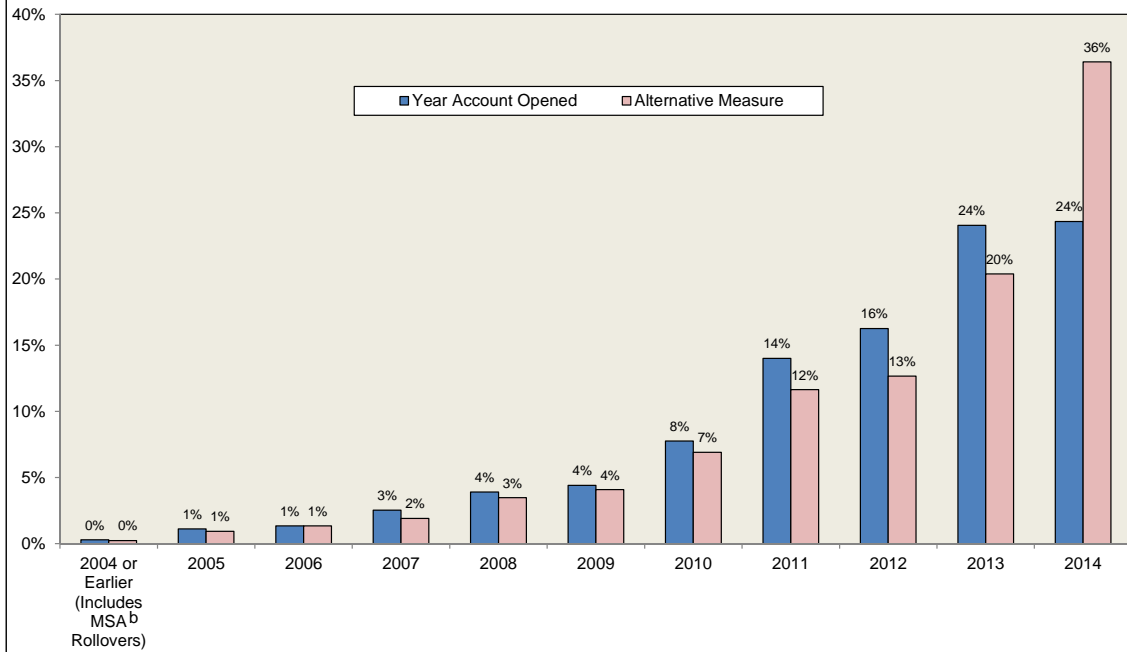
Accounts with December-open dates prior to 2014 are used in the analysis. However, given that many accounts with December dates are likely new accounts that are not eligible for contributions until January of the following year, there is a question as to whether accounts opened in December should be reclassified as having been opened in January of the following calendar year. When the actual date recorded is used, 24 percent of the accounts in the EBRI HSA Database have been opened in 2014 (Figure 4). However, when accounts with a December-open date are reclassified to January of the following calendar year, 36 percent of accounts have been opened in 2014. Either way the account-open date is determined, most accounts have been opened only within the past few years.

It may make sense to reclassify accounts with a December-open date to January of the following calendar year as 37 percent of the accounts in the EBRI HSA Database have been opened in December (Figure 5). However, there is no simple rule of thumb. Since the passage of the Patient Protection and Affordable Care Act of 2010 (PPACA) many smaller and midsize employers renewed their health plan early to delay compliance with various provisions in the PPACA. As a result, a larger number of employers than in the past may have offered an HSA-eligible health plan for the first time in December of that calendar year. Simply reclassifying accounts with a December-open date to January when the account has no activity in December may overestimate the number of accounts that need to be reclassified because individuals and employers need not contribute to an account when it is initially eligible for contributions. Not all employers contribute monthly, and individuals have until April 15 each year to make contributions that count toward the prior calendar year.

HSAs by Account Status

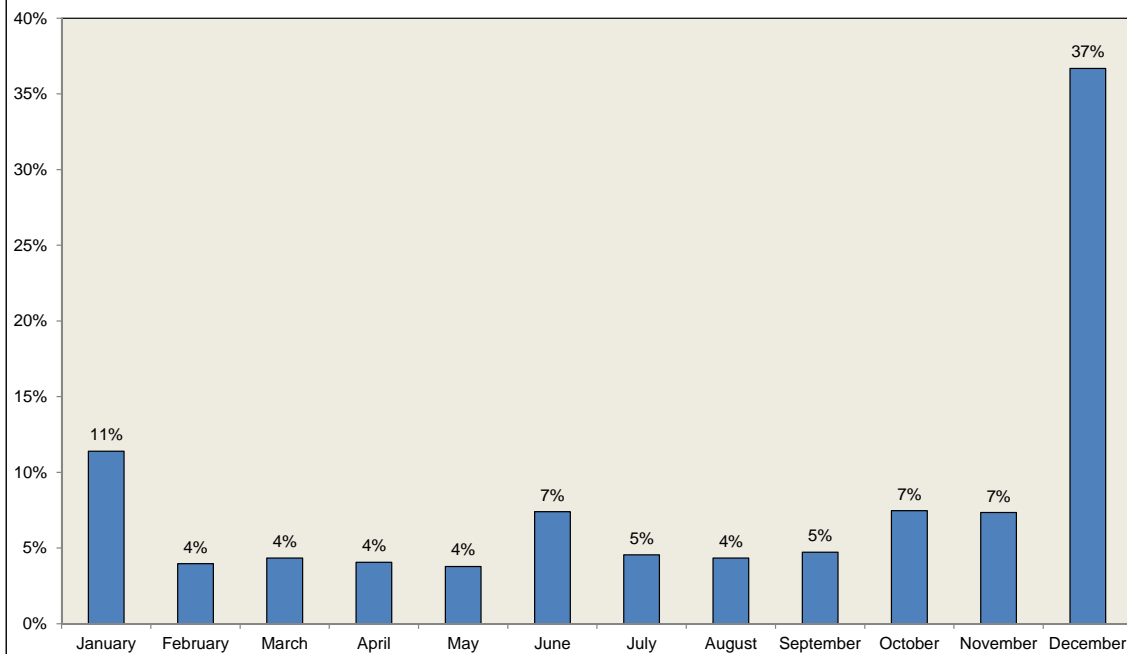
The EBRI HSA Database Project contains data on 2.9 million accounts with \$5.0 billion in assets as of Dec. 31, 2014. About 300,000 of these accounts had been closed by the end of 2014. Accounts may have been closed for various reasons. For example, these accounts may have been transferred to another bank; the account owner may no longer have been covered by an HSA-eligible health plan and may have used all of the money in the account on medical services; or the account holder may have died, with the account balance being distributed to the account of a beneficiary.

Figure 4
HSAs,^a by Year Account was Opened



Source: EBRI HSA Database.
^a Health savings accounts.
^b Archer Medical Savings Accounts.

Figure 5
HSAs,^{*} by Month Account was Opened



Source: EBRI HSA Database.
^{*} Health savings accounts.

The remainder of this *Issue Brief* focuses on the 2.6 million accounts that remained open at the end of 2014. Account balances average \$1,933 at the end of 2014, up from \$1,408 at the end of 2013 (Figure 6).

Accounts With Contributions

About 1.8 million of the accounts in the EBRI HSA Database (70 percent) received contributions in 2014, either individual contributions or employer contributions. Among those with a contribution, the average account balance at the end of 2014 was \$2,384, up from \$1,562 at the end of 2013. Accounts with contributions in 2014 had \$4.3 billion in assets and represented 86 percent of the assets in the EBRI HSA Database.

Most of the accounts with contributions incurred a claim during the year. About 1.4 million accounts (55 percent of the total number of accounts and 80 percent of the accounts with contributions) had a distribution in 2014. Those with a contribution and a distribution had an average account balance of \$2,105 at the end of 2014. Those without a distribution had an average of \$3,428 in the account at the end of 2014.

Most accounts with contributions ended the year with a positive account balance. There were a few accounts with contributions in 2014 that had a zero account balance at the end of 2014. Those accounts started with an average balance of \$266 at the beginning of the year. Among the accounts with contributions in 2014 and a positive end-of-year account balance, the average balance increased from \$1,612 at the end of 2013 to \$2,478 at the end of 2014.

Accounts Without Contributions

Nearly one-third (30 percent) of the accounts in the EBRI HSA Database did not have any employer or individual contributions in 2014. Overall, these accounts started 2014 with an average balance of \$1,054 and ended the year with an average balance of \$892. They accounted for 14 percent of all assets in the database.

Over one-half (55 percent) of the accounts that did not have any contributions in 2014 ended the year with a zero account balance but did not have any distributions for claims. These accounts had an average balance of \$6 at the start of 2014.

One-quarter (25 percent) of the accounts did not have any contributions or distributions for claims but nonetheless ended the year with a positive account balance. Balances among these accounts averaged \$2,002 at the beginning of 2014 and \$2,050 at the end of the year. These may have been dormant accounts, or the account owners may have been using these accounts to save for future medical expenses.

The remaining accounts (20 percent) incurred claims during 2014. Those that ended the year with a zero balance started with an average of \$533. Among those with an account balance at the end of 2014, the average balance fell from \$2,687 at the beginning of 2014 to \$1,869 at the end of 2014.

Summary of Average Account Activity

Individual contributions averaged \$1,121 in 2014 across the entire EBRI HSA database, but averaged \$2,096 when looking only at individuals who actually made a contribution in 2014 (Figure 7). Similarly, across all accounts in the EBRI HSA database, employer contributions averaged \$527, but among accounts that actually received an employer contribution during the year, those contributions averaged \$1,021. Distributions for medical claims averaged \$1,196 overall, but were \$1,951 among just those accounts with a distribution for claims during the year. Overall, 53 percent of accounts had individual contributions, 52 percent had employer contributions, and 61 percent had distributions during 2014.

Average annual individual contributions varied by whether there were employer contributions to the HSA. The average annual individual contribution was higher in HSAs that did not have an employer contribution. Among HSAs with employer contributions, annual individual contributions averaged \$1,803 (Figure 8). They averaged \$2,693 in accounts that did not have employer contributions. This suggests that, on average, individuals view employer contributions as a substitute for their own contributions.

Figure 6
HSAs,^a by Account Status, Open Accounts, 2014

	Number of Accounts (millions)	Distribution of Accounts (percent)	Average Beginning- of-Year Account Balance	Average End-of- Year Account Balance	Total Assets (billions)	Distribution of Assets (percent)
Total	2.6	100%	\$1,408	\$1,933	\$5.0	100%
Accounts With Employer or Individual Contributions	1.8	70	1,562	2,384	4.3	86
<i>Distributions</i>						
Distributions from Account for Claims	1.4	55	1,452	2,105	3.0	60
No Distributions from Account for Claims	0.4	15	1,973	3,428	1.3	26
<i>End-of-Year Balance</i>						
End-of-Year account balance zero	0.1	3	266	0	0.0	0
End-of-Year account balance positive	1.7	67	1,612	2,478	4.3	86
Accounts With No Employer or Individual Contributions	0.8	30	1,054	892	0.7	14
<i>Distributions from Account for Claims</i>						
Distributions from Account for Claims	0.2	6	2,687	1,869	0.3	6
End-of-Year account balance zero	0.0	2	533	0	0.0	0
End-of-Year account balance positive	0.1	5	3,410	2,496	0.3	6
No Distributions from Account for Claims	0.6	24	624	635	0.4	8
<i>End-of-Year account balance zero</i>						
End-of-Year account balance zero	0.4	17	6	0	0.0	0
<i>End-of-Year account balance positive</i>						
End-of-Year account balance positive	0.2	7	2,002	2,050	0.4	8

Source: EBRI HSA Database.
^a Health savings accounts.

Figure 7
Summary of Average Account Activity, 2014

	All Accounts	Accounts With Contributions or Distributions	Accounts With Contributions or Distributions
Individual Contributions	\$1,121	\$2,096	53%
Employer Contributions	527	1,021	52
Distributions for Claims	1,196	1,951	61

Source: EBRI HSA Database.

Demographics of HSA Owners

HSA owners in the EBRI HSA database were fairly evenly distributed by age. One-quarter each were ages 25–34, 35–44 or 45–54 (Figure 9). About one-fifth (19 percent) were ages 55–64, while only 4 percent were under age 25, and 3 percent were ages 65 and older. The average age was 43.4 years. For comparison, data from the March 2014 Current Population Survey (CPS) showed the distribution of adults with group health coverage in 2013 to be quite similar, with two exceptions: in that sampling, HSA owners were less likely to be younger than age 25 or older than 65 than was the case in the March 2014 CPS.

Contributions to HSAs

Just over one-half (53 percent) of HSA owners contributed to their account (Figure 10). Eleven percent made a contribution in the range of \$1,000–\$1,999 and 15 percent contributed between \$2,000 and \$4,999. Only 2 percent contributed the maximum of at least \$6,550, though individuals with employee-only coverage were allowed a maximum contribution of \$3,300 in 2014 (individuals ages 55 or older could make catch-up contributions up to an additional \$1,000).

Similarly, just over one-half (52 percent) of HSA owners received an employer contribution. About one-quarter (28 percent) had an employer contribution of \$100–\$999; 16 percent received an employer contribution of \$1,000–\$1,999; and 6 percent had an employer contribution of \$2,000 or more.

When accounts that received individual and employer contributions were combined, nearly one-third (30 percent) of accounts did not have any contributions, while 22 percent had contributions between \$2,000 and \$4,999, and 5 percent had \$6,550 or more in contributions.

Contribution levels were higher in accounts that had investment assets. Among accounts with investment assets, 31 percent had contributions between \$2,000 and \$4,999, 11 percent had contributions between \$5,000 and \$6,549, and 11 percent had \$6,550 or more in contributions (Figure 11). In contrast, among accounts that did not have investment assets, 17 percent had contributions between \$2,000 and \$4,999, 4 percent had contributions between \$5,000 and \$6,549, and 3 percent had \$6,550 or more in contributions.

Account Status Differences

As mentioned above, HSAs could be grouped into a number of different account statuses. Two-thirds (67 percent) of accounts had either an individual or employer contribution in 2014 and a balance greater than zero at the end of the year. Three percent had an individual or employer contribution and a zero balance, while the remaining 30 percent did not have any contributions into the account. Over one-half (55 percent) of those accounts had no distributions for claims during 2013 and ended the year with a zero balance.

Regardless of account status, the age distribution of the HSA owners was similar (Figure 12).

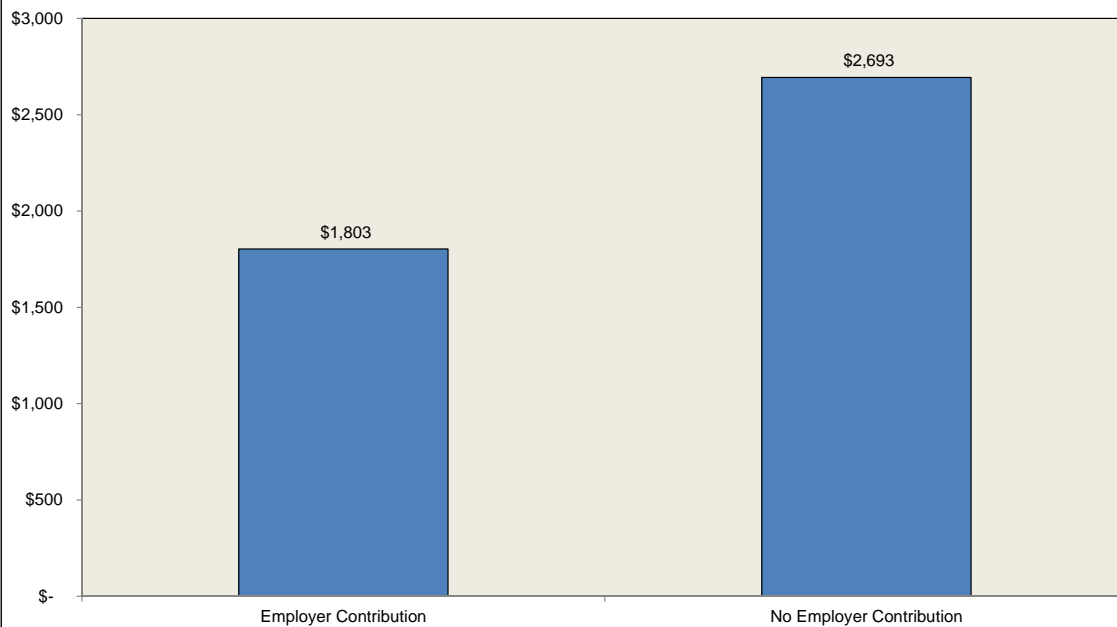
Figure 13 illustrates the distribution of the year the HSA was opened, by account status. There were some notable differences. Accounts with no contributions in 2014 were more likely to have been opened before 2014. In contrast, accounts with contributions during 2014 were more likely than average to have been opened since 2012.

Accounts With Contributions

This section of the report focuses on annual contributions to the HSA only among accounts with either individual or employer contributions in 2014. As discussed above, 70 percent of HSAs had either an individual or employer contribution in 2014, and the balances in these HSAs accounted for 86 percent of all assets in the EBRI HSA Database.

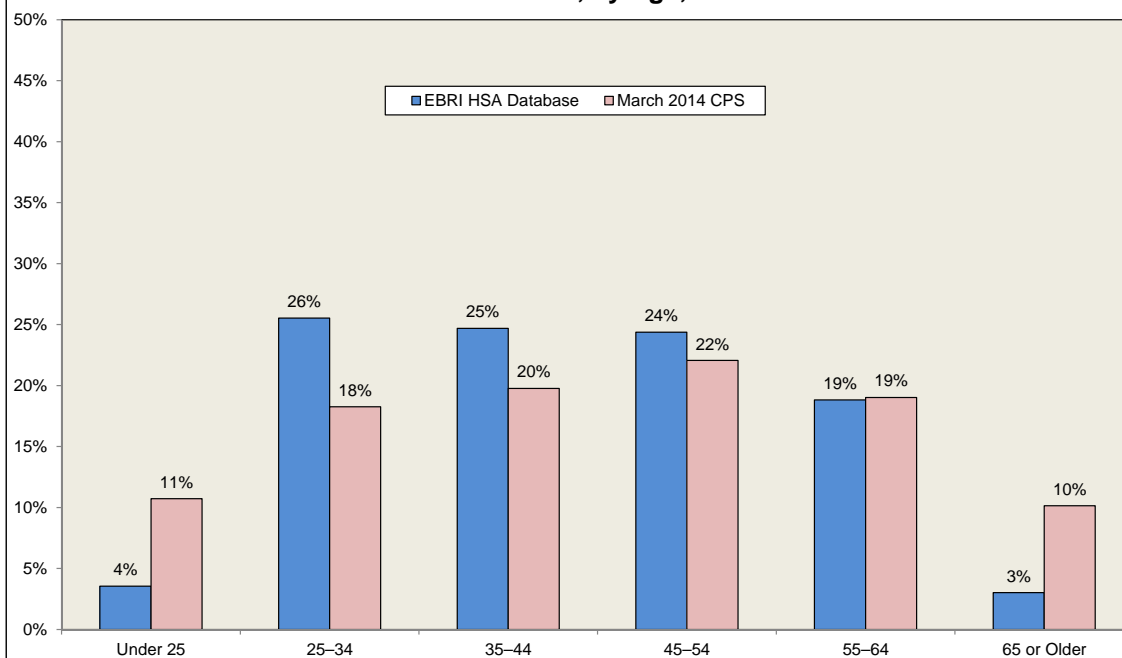
Among HSAs with any contribution in 2014, 23 percent did not have an individual contribution and 25 percent did not have an employer contribution (Figure 14). Only 3 percent of HSAs had individual contributions at or above \$6,550.

Figure 8
Average Individual Contribution,
by Presence of Employer Contribution, 2014



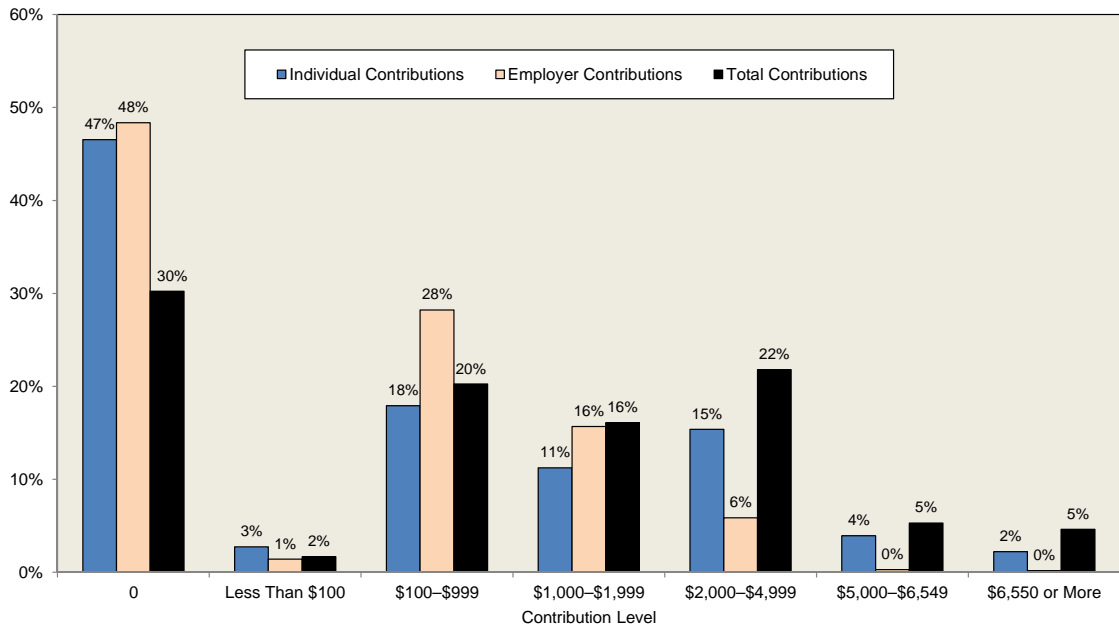
Source: EBRI HSA Database.

Figure 9
HSA* Owners, by Age, 2014



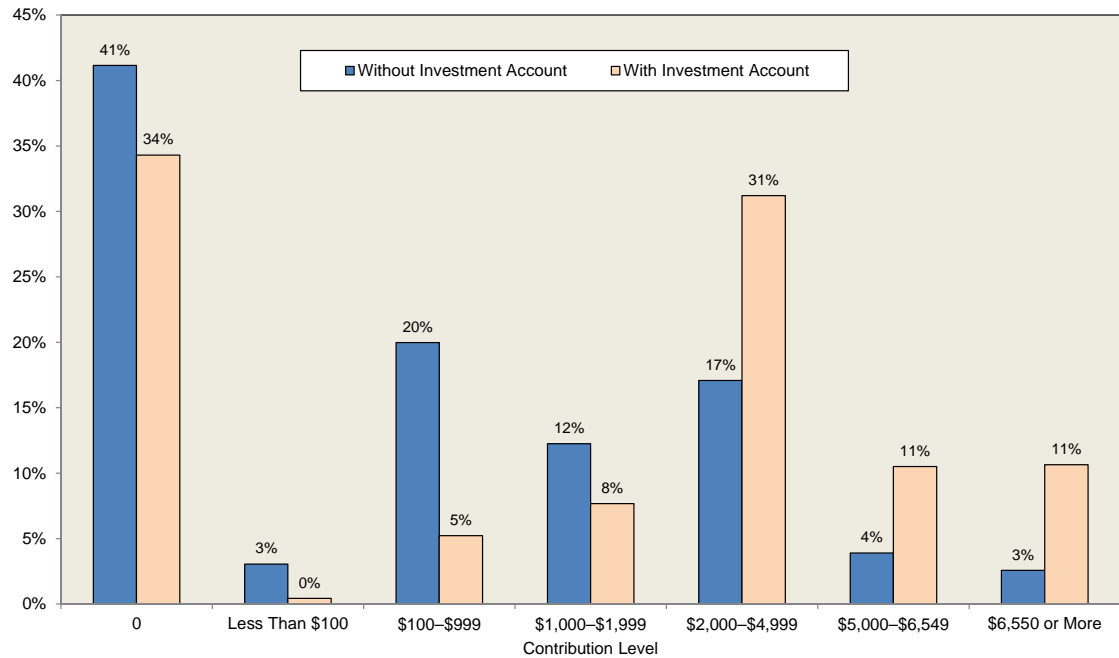
Source: EBRI HSA Database and March 2014 Current Population Survey.
 * Health savings account.

Figure 10
**HSAs,* by Level of Individual,
 Employer and Total Contributions, 2014**



Source: EBRI HSA Database.
 * Health savings accounts.

Figure 11
**HSAs,* by Level of Individual Contributions
 and Presence of Investment Account, 2014**



Source: EBRI HSA Database.
 * Health savings accounts.

Figure 12
HSA* Owners, by Age and Account Status, 2014

Percent of Accounts Age	Accounts With Contributions			Accounts With No Contributions			
	Total	Distributions From Account for Claims		Distributions From Account for Claims		No Distributions From Account for Claims	
		Zero Balance at End of 2014	Positive Balance at End of 2014	Zero Balance at End of 2014	Positive Balance at End of 2014	Zero Balance at End of 2014	Positive Balance at End of 2014
100%	4%	61%	3%	4%	20%	7%	
Under 25	4%	4%	2%	1%	5%	3%	
25-34	26	25	25	22	27	29	
35-44	25	25	26	21	24	23	
45-54	24	25	24	21	23	21	
55-64	19	19	17	21	17	18	
65 or older	3	2	6	13	4	7	

Source: EBRI HSA Database.
* Health savings accounts.

Figure 13
HSAs,* by Year When Account Was Opened and Account Status, 2014

Percent of Accounts Year Account Opened	Accounts With Contributions			Accounts With No Contributions			
	Total	Distributions From Account for Claims		Distributions From Account for Claims		No Distributions From Account for Claims	
		Zero Balance at End of 2014	Positive Balance at End of 2014	Zero Balance at End of 2014	Positive Balance at End of 2014	Zero Balance at End of 2014	Positive Balance at End of 2014
100%	4%	61%	3%	4%	20%	7%	
2004	0	0	0	1	0	1	
2005	1	1	1	3	1	4	
2006	1	1	1	4	1	4	
2007	3	2	2	6	3	7	
2008	4	3	3	8	4	9	
2009	4	3	6	9	5	10	
2010	8	6	11	14	9	15	
2011	14	13	23	23	12	20	
2012	16	17	29	21	9	15	
2013	24	30	20	10	9	10	
2014	24	23	4	1	48	5	

Source: EBRI HSA Database.
* Health savings accounts.

When individual and employer contributions were combined, 7 percent of HSAs had contributions of \$6,550 or more. Otherwise, 30 percent of individual contributions were below \$1,000 (4 percent were less than \$100, and 26 percent were between \$100 and \$999); 16 percent were between \$1,000 and \$1,999; and 22 percent were between \$2,000 and \$4,999.

Among HSAs with employer contributions, 41 percent were between \$100 and \$999, and 23 percent were between \$1,000 and \$1,999. Eight percent were \$2,000 or more.

Overall, 29 percent of HSAs had contributions of \$100–\$999, 23 percent had contributions of \$1,000–\$1,999, and 31 percent had contributions of \$2,000–\$4,999. Only 15 percent of HSAs had contributions of \$5,000 or more (8 percent were between \$5,000 and \$6,549, 7 percent were at \$6,550 or more).

End-of-Year Account Balance—Among HSAs with contributions, those with a zero account balance at the end of 2014 had lower individual contributions and were less likely to have individual contributions than those with a positive balance at the end of the year (Figure 15). However, those with a zero account balance had about the same employer contributions as those with a positive balance at the end of the year (Figure 16). Combined individual and employer contributions are shown in Figure 17. Among those with a zero account balance at the end of 2014:

- 23 percent had contributions of \$1,000–\$1,999.
- 17 percent had contributions of \$2,000–\$4,999.
- 5 percent had contributions of \$5,000 or more.

Among those with a positive account balance at the end of the year, 23 percent had contributions of \$1,000–\$1,999, 32 percent had contributions of \$2,000–\$4,999, and 15 percent had contributions of \$5,000 or more.

End-of-Year 2014 Account Balances

This section focuses on balances in the accounts in the EBRI HSA database with either individual or employer contributions in 2014. Overall, 5 percent of accounts had a zero balance at the end of 2014, 37 percent had \$1–\$499, and 15 percent had \$500–\$999 (Figure 18). Few accounts had \$5,000 or more, with 5 percent having \$5,000–\$7,499, 2 percent had \$7,500–\$9,999, and 5 percent had \$10,000 or more.

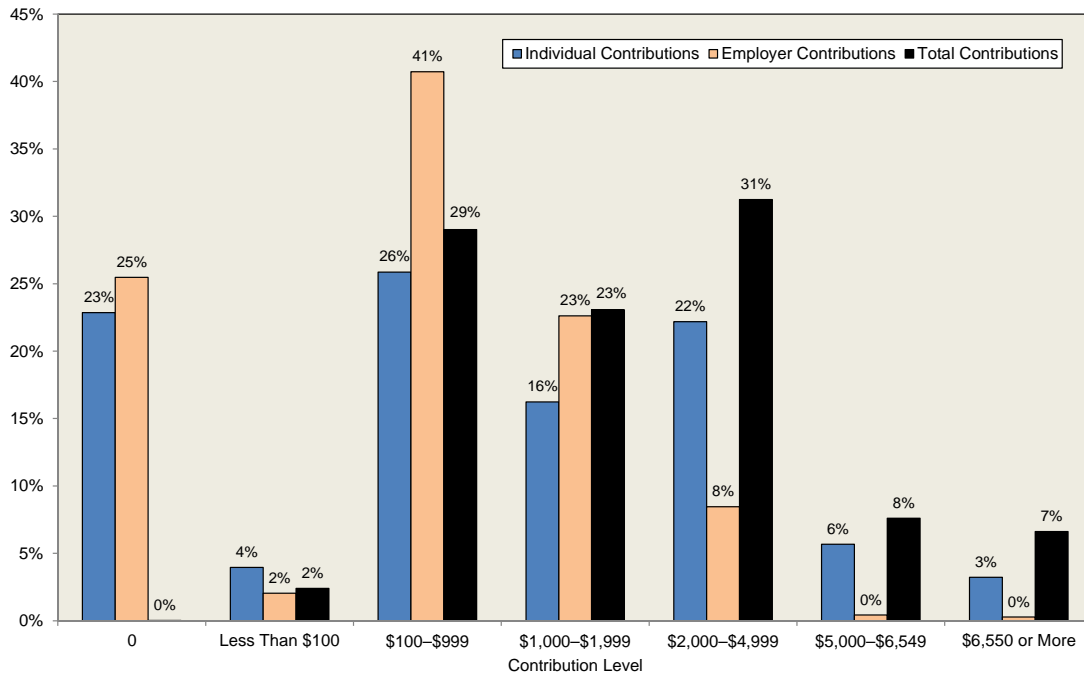
Investment Account—Accounts with investment options had higher balances at the end of 2014 than accounts without investment assets. Over one-third (37 percent) of accounts with investment assets had \$10,000 or more in the account at the end of 2014. In contrast, only 4 percent of accounts without an investment asset ended 2014 with \$10,000 or more.

Age—Despite the fact that older individuals used more health care services on average than younger individuals, account balances increased with age. Individuals under age 25 had an average of \$655 in their HSA at the end of 2014, compared with \$4,072 among individuals ages 55–64 (Figure 19). Even individuals ages 65 and older had an average of \$5,016 in their HSA at the end of 2014.

Year Account Opened—Not surprisingly, the longer an individual has had an account, the higher the account balance. Individuals who opened an account in 2004 (or before for those with an MSA rollover) had an average of \$11,821 in their account (Figure 20). Those whose account was opened in 2011 had \$3,801, while those who first opened the account in 2014 ended the year with a \$948 balance.

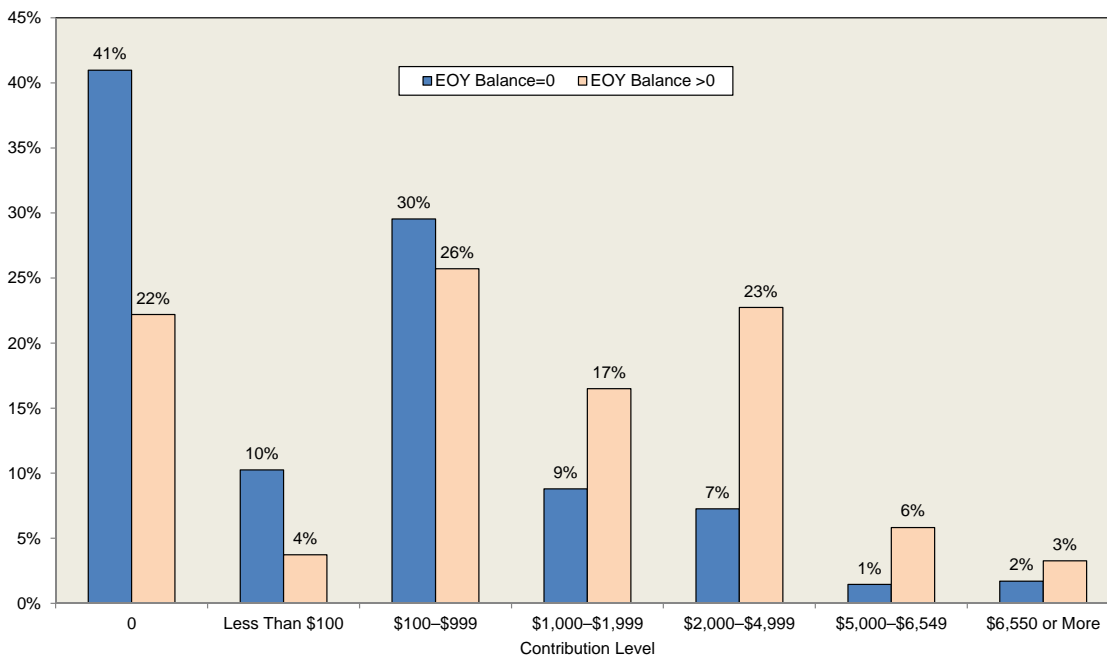
Accounts With Investment Assets—End-of-year balances were much higher in accounts with investment options than in accounts that did not use any investment options. Among accounts opened in 2014, end-of-year 2014 balances averaged \$6,544 in accounts with investment assets, and \$895 in accounts without investment assets (Figure 21).

Figure 14
HSA* With Contributions, by Level of Individual, Employer and Total Contributions, 2014



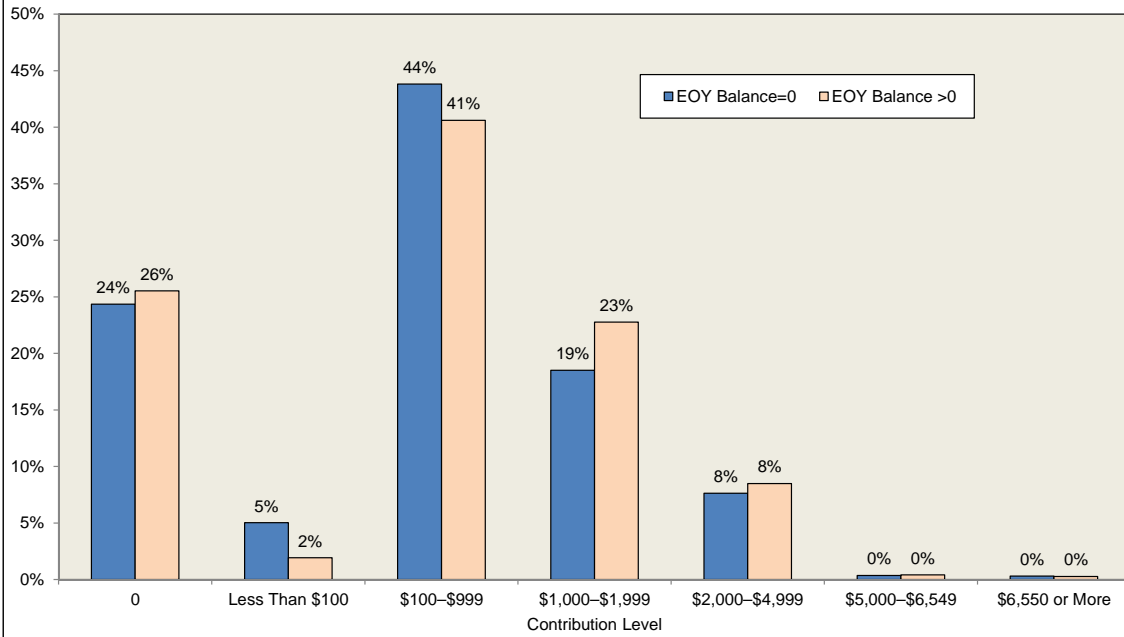
Source: EBRI HSA Database.
 * Health savings accounts.

Figure 15
HSA* With Contributions, by Level of Individual Contributions and End-of-Year Account Balance, 2014



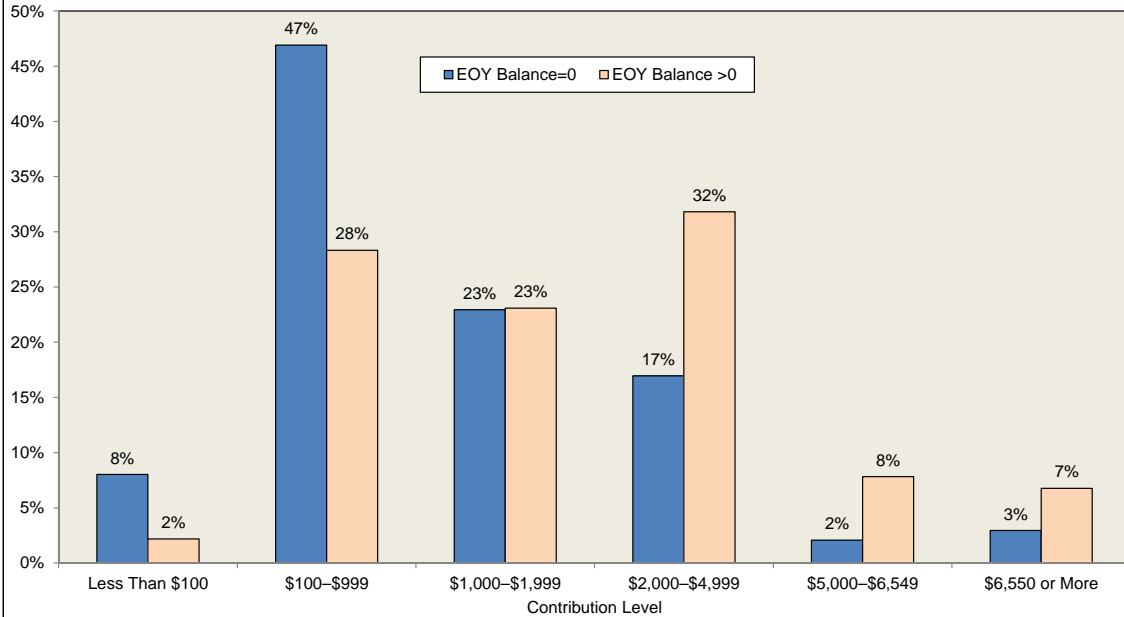
Source: EBRI HSA Database.
 * Health savings accounts.

Figure 16
HSAs* With Contributions, by Level of Employer Contributions and End-of-Year Account Balance, 2014



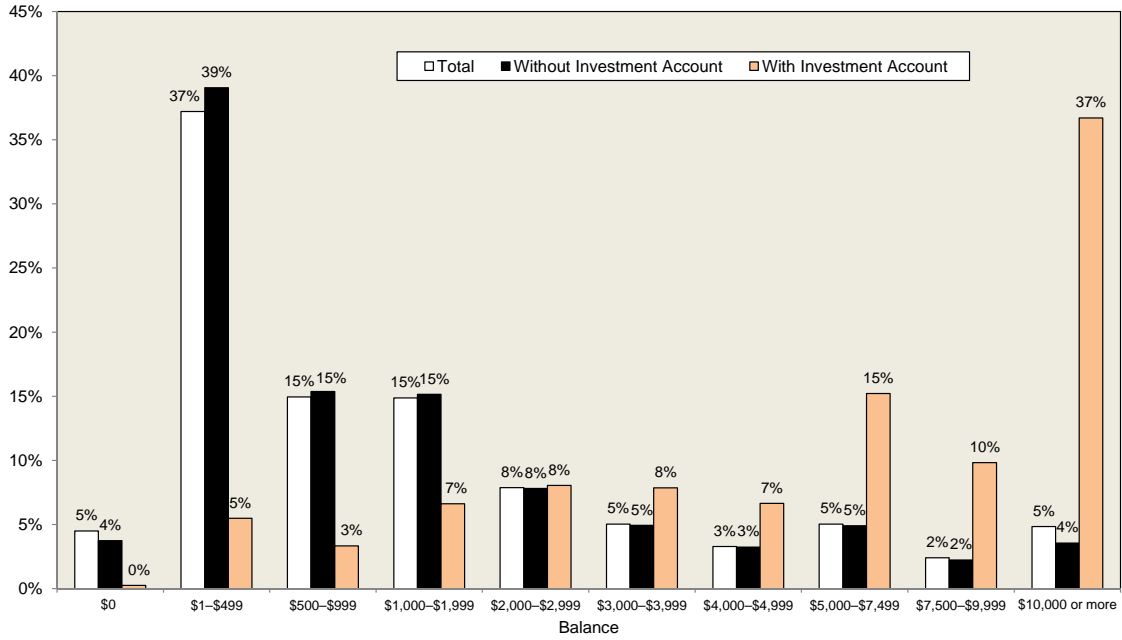
Source: EBRI HSA Database.
 * Health savings accounts.

Figure 17
HSAs* With Contributions, by Level of Combined Individual and Employer Contributions and End-of-Year Account Balance, 2014



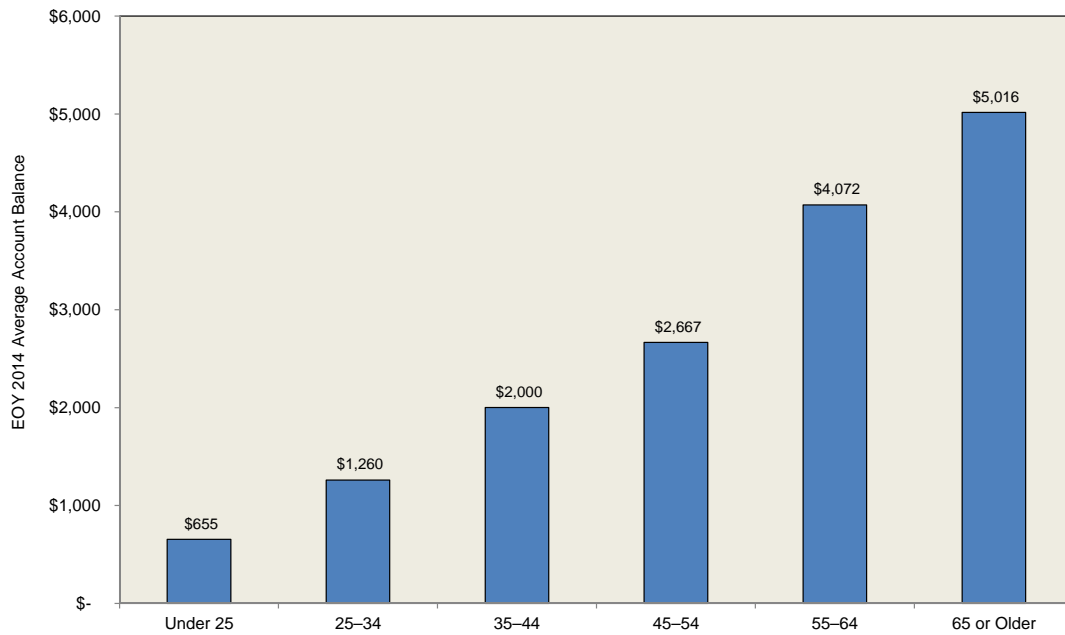
Source: EBRI HSA Database.
 * Health savings accounts.

Figure 18
Average HSA* End-of-Year Account Balance, by Presence of Investment Account, 2014



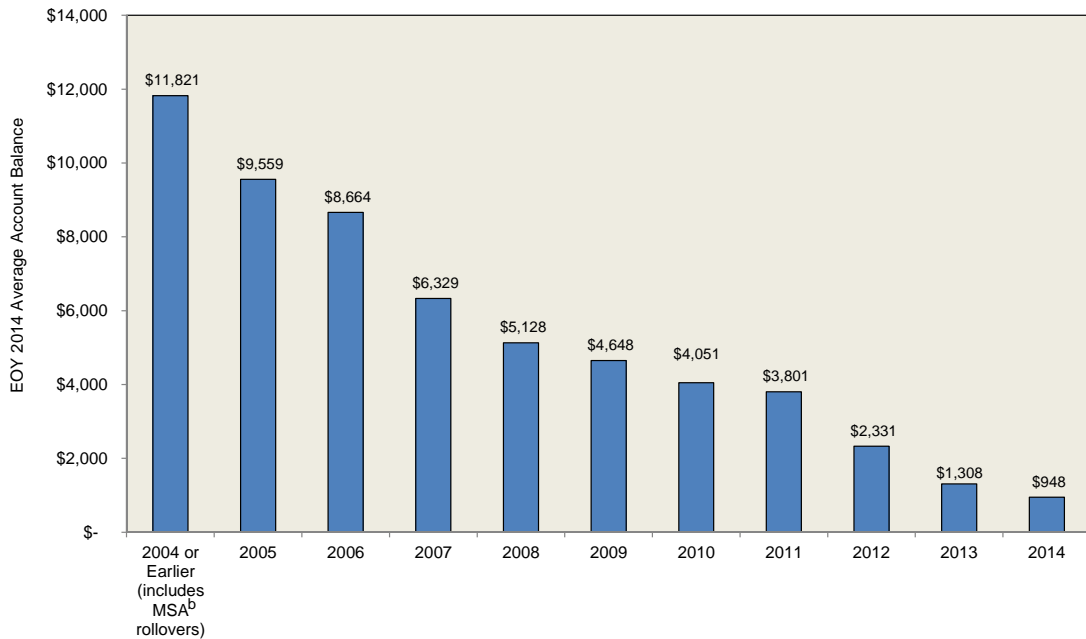
Source: EBRI HSA Database.
 * Health savings accounts.

Figure 19
Average End-of-Year Account Balance Among HSAs* With Contributions, by Age of HSA Owner, 2014



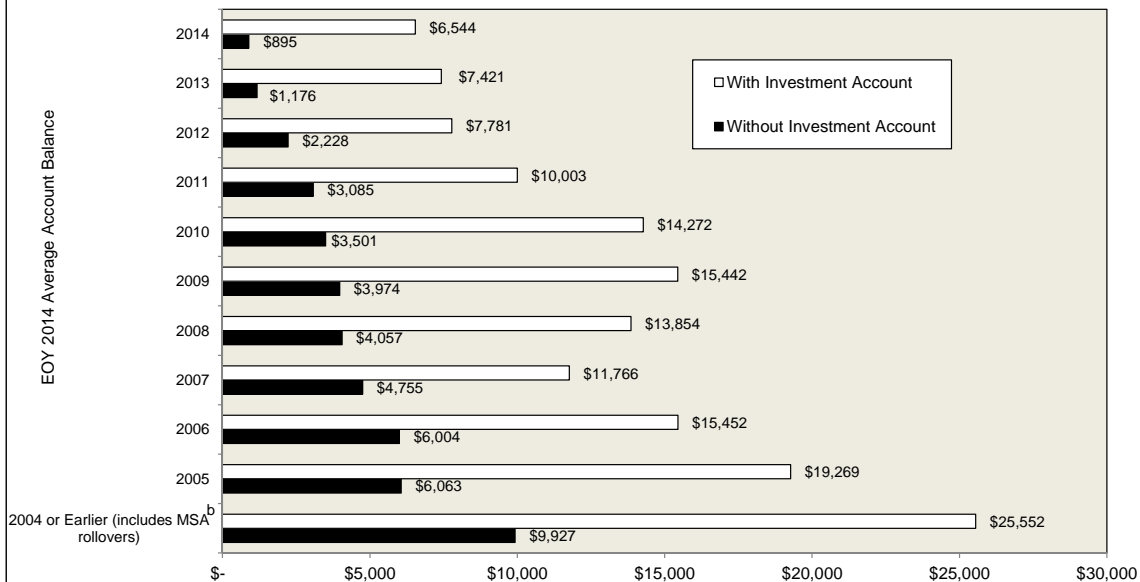
Source: EBRI HSA Database.
 * Health savings accounts.

Figure 20
**Average End-of-Year HSA^a Balance Among
 Accounts With Contributions, by Year HSA Was Opened, 2014**



Source: EBRI HSA Database.
^a Health savings account.
^b Archer Medical Savings Accounts.

Figure 21
**Average End-of-Year HSA^a Balance Among Accounts
 With Contributions and Presence of Investment Account,
 by Year HSA Was Opened, 2014**



Source: EBRI HSA Database.
^a Health savings account.
^b Archer Medical Savings Account.

Similarly, among accounts opened in 2005, end-of-year 2014 balances averaged \$19,269 in accounts with investment assets, and \$6,063 in accounts without investment assets.

Distributions

This section of the report focuses on average annual distributions and the likelihood that an account had a distribution for a health care claim. Account owners whose family members are covered by their health plan may make distributions for health care claims incurred by those family members.

Age—The average annual amount distributed for health care claims increased with age, as did the likelihood that a distribution was made for a health care claim, until older ages. Individuals under age 25 had an average annual distribution of \$636 from their HSA in 2014, compared with \$2,373 among individuals ages 55–64 and \$2,124 among individuals ages 65 and older (Figure 22). The likelihood of taking a distribution increased from 38 percent among individuals under age 25 to 66 percent among those ages 35–44 and 45–54. It dipped slightly to 65 percent among those ages 55–64 and to 55 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 because fewer dependent children are covered by older account-owners.

Year Account Opened—In general, the longer an individual has had an account, the higher the average amount distributed from the HSA for health care claims. Individuals who opened an account in 2004 (or before, for those with an MSA rollover) had an average annual distribution of \$3,262 from their account (Figure 23). Those whose account was opened in 2011 had an average annual distribution of \$2,319, while those who first opened the account in 2014 had an average annual distribution of \$1,038. While average amounts distributed were higher among older accounts, the likelihood of there being a distribution was higher among accounts opened between 2011 and 2013. Between 55 percent and 61 percent of accounts opened between 2004 and 2010 had a distribution for a health care claim, whereas 67 percent of accounts opened in 2011, 76 percent of accounts opened in 2012, and 74 percent of accounts opened in 2013 had a distribution for a health care claim. Only 40 percent of accounts opened in 2014 had a distribution for a health care claim. These accounts are less likely to have a distribution and more likely to have a lower average amount distributed because they have had less time to build up an account balance.

Accounts With Investment Assets—The likelihood of a distribution for health care claims was the same (65 percent) regardless of whether there was an investment account associated with the HSA (Figure 24). However, average annual distributions for health care claims were higher in HSAs with investment assets. Among HSAs with investment assets, the average annual distribution for health care claims was \$2,735, compared with \$1,981 in HSAs without investment assets.

Net Contributions

Average annual contributions and distributions for health care claims generally increased with age. Contributions averaged \$1,023 for individuals under 25 to \$3,317 for individuals ages 55–64 (Figure 25). Similarly, average annual distributions for health care claims ranged from \$658 for individuals under 25 to \$2,511 for individuals ages 55–64. Average, annual net-contributions, or the difference between contributions and distributions, also increased with age, until age 65. Individuals under 25 had an average net-contribution of \$366 in 2014, while those ages 55–64 had an average net-contribution of \$806.

Conclusion

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. Furthermore, it is also estimated that there are 13.8 million accounts holding \$24.2 billion in assets as of Dec. 31, 2014. The number of employers expected to offer an HSA-eligible health

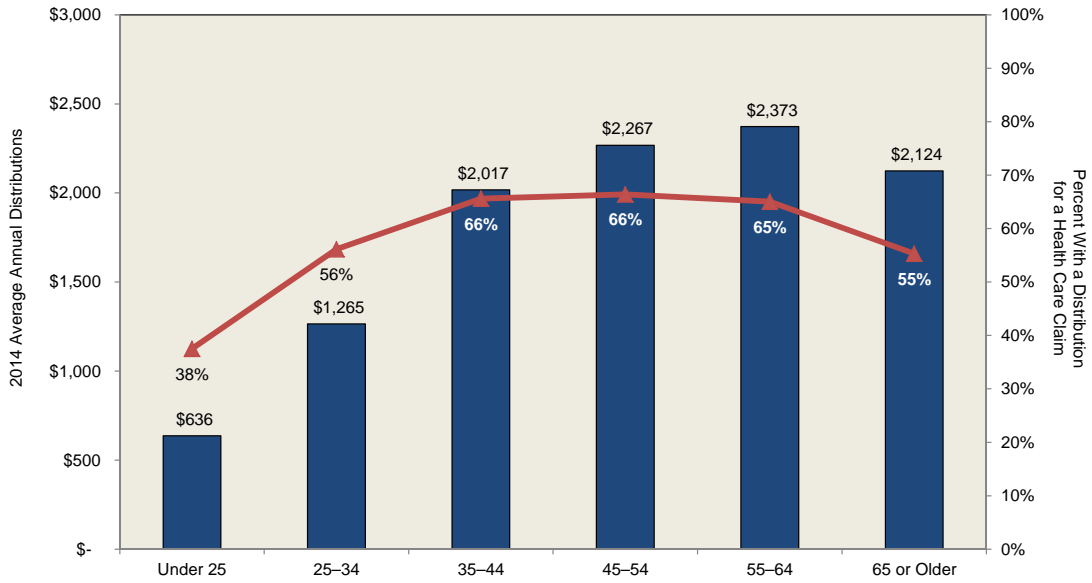
plan either as an option or as the only health plan option is expected to continue to increase. As a result, HSA-eligible health plans and HSAs are expected to grow as a vital component of employment-based health coverage.

This study examines data from the EBRI HSA Database. It contains data collected from various HSA providers on 2.9 million accounts with total assets of \$5 billion. Seventy-eight percent of HSAs were opened since the beginning of 2011. Overall, average balances increased from \$1,408 to \$1,933 during calendar year 2014.

Seventy percent of the accounts in the EBRI HSA Database had either an individual or employer contribution in 2014. Average balances in these accounts increased from \$1,562 to \$2,384. About 4 percent of them ended 2014 with a zero balance. Just over one-half of accounts had individual contributions, with deposits averaging \$2,096. Among the 52 percent of accounts receiving employer contributions, the accounts received an average of \$1,021. Distributions for health care claims averaged nearly \$2,000 among the 61 percent of accounts with a distribution.

This was the first year the EBRI HSA Database contained usable data on accounts with investment assets. A more detailed analysis using the investment-asset data is in progress. As the database continues to expand, future studies will incorporate longitudinal data from the database.

Figure 22
Average Annual Distributions Among Accounts With Claims and the Likelihood of Having a Distribution for a Health Care Claim, by Age of HSA* Owner, 2014



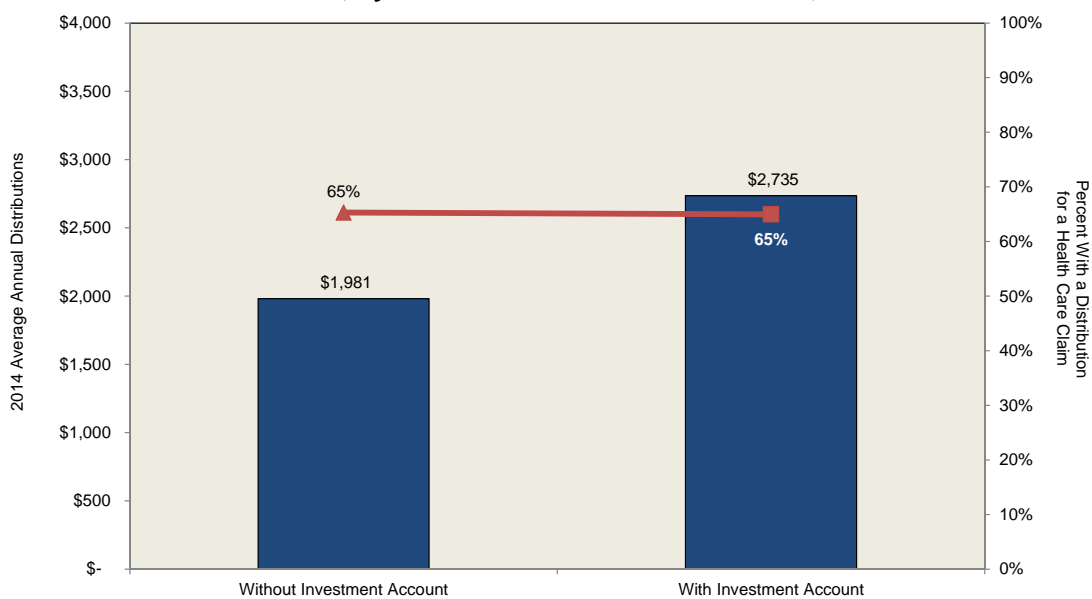
Source: EBRI HSA Database.
 * Health savings account.

Figure 23
Average Annual Distributions Among HSAs^a With Claims and the Likelihood of Having a Distribution for a Health Care Claim, by Year HSA^a Was Opened, 2014



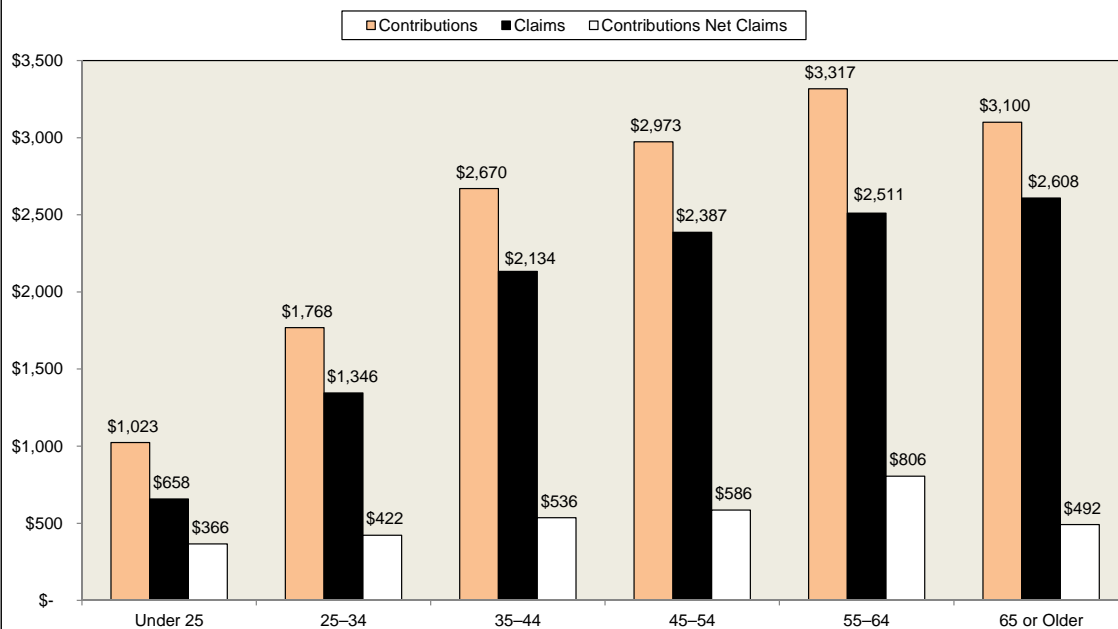
Source: EBRI HSA Database.
^a Health savings accounts.
^b Archer Medical Savings Account.

Figure 24
Average Annual Distributions Among HSAs* With Claims
and the Likelihood of Having a Distribution for a Health
Care Claim, by Presence of Investment Account, 2014



Source: EBRI HSA Database.
 * Health savings accounts.

Figure 25
Annual Contributions, Claims, and Net Contributions, by Age
Among HSA* Owners With Both Contributions and Claims, 2014



Source: EBRI HSA Database.
 * Health savings account.

References

- Bundorf, M. Kate. "Consumer-Directed Health Plans: Do They Deliver?" *Research Synthesis Report No. 24* (Robert Wood Johnson Foundation, October 2012).
- Fronstin, Paul. "Characteristics of the Population With Consumer-Driven and High-Deductible Health Plans, 2005–2013." *EBRI Notes* 35, no. 4 (Employee Benefit Research Institute, April 2014).
- _____. "Findings From the 2013 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey." *EBRI Issue Brief*, no. 393 (Employee Benefit Research Institute, December 2013).
- _____. "Health Savings Accounts and Health Reimbursement Arrangements: Assets, Account Balances, and Rollovers, 2006–2013." *EBRI Issue Brief*, no. 395 (Employee Benefit Research Institute, January 2014).
- Fronstin, Paul, and Anne Elmlinger. "Health Savings Accounts and Health Reimbursement Arrangements: Assets, Account Balances, and Rollovers, 2006–2014." *EBRI Issue Brief*, no. 409 (Employee Benefit Research Institute, January 2015).
- Fronstin, Paul, and M. Christopher Roebuck. "Health Care Spending after Adopting a Full-Replacement, High-Deductible Health Plan With a Health Savings Account: A Five-Year Study." *EBRI Issue Brief*, no. 388 (Employee Benefit Research Institute, July 2013).
- Fronstin, Paul, Martin J. Sepulveda, and M. Christopher Roebuck. "Consumer-Directed Health Plans Reduce The Long-Term Use Of Outpatient Physician Visits And Prescription Drugs." *Health Affairs* 32, no. 6 (June 2013): 1126-1134.
- _____. "Medication Utilization and Adherence in a Health Savings Account-Eligible Plan." *American Journal of Managed Care* 19, no. 12 (December 2013): e400-e407.

Endnotes

¹ America's Health Insurance Plans (AHIP) found that 17.4 million people were enrolled in an HSA-eligible health plan in January 2014 (See <https://www.ahip.org/2014/HSA-Census-Report>). CEHCS estimated that 20.4 million people were enrolled in an HSA-eligible plan in August 2013 (see http://www.ebri.org/pdf/EBRI_IB_012-13.No393.CEHCS.pdf). The actual number likely falls somewhere in between. The AHIP census was based on 80 companies, out of 112 that were sent the survey. The CEHCS may have overestimated the percentage of individuals in an HSA-eligible plan as it is based on self-reported eligibility status, and also includes enrollees in health reimbursement arrangements (HRAs), which makes up about one-third of the consumer-driven health plan employment-based marketplace according to Exhibit 8.5 in <http://files.kff.org/attachment/2014-employer-health-benefits-survey-full-report>

² See <http://www.devenir.com/research/2014-year-end-devenir-hsa-market-research-report/>

³ See Figure 9 in <http://www.mercer.com/content/mercer/global/all/en/newsroom/modest-health-benefit-cost-growth-continues-as-consumerism-kicks-into-high-gear.html> and Figure 33 in <http://www.ibpis.com/downloads/Towers-Watson-NBGH-Survey-Full-Report-2014.pdf>

⁴ See the literature review in Bundorf (2012) as well as more recent research in Fronstin and Roebuck (2013); Fronstin, Sepulveda and Roebuck (June 2013); and Fronstin, Sepulveda and Roebuck (December 2013).

⁵ See <https://www.ahip.org/HSA-BANK-2012/>

⁶ See <http://www.devenir.com/research/2014-year-end-devenir-hsa-market-research-report/>

⁷ See Fronstin and Elmlinger (2015).

⁸ Only Medicare enrollees ages 65 and older are allowed to pay insurance premiums from an HSA. A Medicare enrollee under age 65 cannot use an HSA to pay insurance premiums.

⁹ See Exhibit 5.1 in <http://files.kff.org/attachment/2014-employer-health-benefits-survey-full-report>

¹⁰ See Exhibit 8.5 in <http://files.kff.org/attachment/2014-employer-health-benefits-survey-full-report>

¹¹ See <https://www.ahip.org/2014/HSA-Census-Report/>

¹² See Figure 5 in <http://www.mercer.com/content/mercer/global/all/en/newsroom/modest-health-benefit-cost-growth-continues-as-consumerism-kicks-into-high-gear.html>

¹³ See Figure 6 in <http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201503.pdf>

¹⁴ See Figure 9 in <http://www.mercer.com/content/mercer/global/all/en/newsroom/modest-health-benefit-cost-growth-continues-as-consumerism-kicks-into-high-gear.html>

¹⁵ See <http://www.devenir.com/research/2014-year-end-devenir-hsa-market-research-report/>

¹⁶ According to Devenir, there were 13.8 million accounts holding \$24.2 billion in assets as of Dec. 31, 2014. See <http://www.devenir.com/research/2014-year-end-devenir-hsa-market-research-report/>

¹⁷ At no time has any nonpublic personal information that is personally identifiable, such as a Social Security number, been transferred to or shared with EBRI.

¹⁸ A very small percentage (less than 0.5 percent) of accounts has an account opening date prior to 2004. An HSA that was funded by amounts rolled over from an MSA was considered established on the date the MSA was established.

ebri.org
Employee Benefit Research Institute

Contact | Join | Notify Me | Subscribe

About | Media | Research | Education | Programs | Surveys

Search Member Login

Printer Friendly | RSS

Most Viewed

1. EBRI Databook on Employee Benefits
2. Retirement Confidence Survey (RCS)
3. 2012 Fast Facts

Publications

- By Topic
- EBRI Bibliography By Topic
- Data Book
- Facts from EBRI
- Fast Facts
- Issue Briefs
- Notes
- Policy Books
- President's Reports
- Press Releases
- Special Reports
- Testimony

Resources

- Benefit Bibliography
- Benefit FAQs
- Links to Other Internet Resources
- Reference Shelf
- Special Issues of Periodicals
- What's New in Employee Benefits

Health Care Research
Consumer Engagement Survey Findings
Read More

401(k) Data | Health Care Research | Impact of 401(k) "Leakage" | FAST FACT | Retirement Research | The EBRI Dlog

EBRI Issue Brief – December 2014

401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2013
The evolution of 401(k) plan designs has resulted in a significant increase in the use of balanced funds, including target-date funds, by recently hired 401(k) plan participants in 2013 compared with recently hired participants 15 years ago, according to a newly updated annual report by EBRI and ICI. Press release.

EBRI Issue Brief – December 2014

Findings from the 2014 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey
People enrolled in so-called "consumer-driven" health plans are more involved in their health care, according to a new report from EBRI. Press release.

EBRI Issue Brief – November 2014

Individual Account Retirement Plans: An Analysis of the 2013 Survey of Consumer Finances
While the share of families with an individual account retirement plan is ticking down, the assets in those plans are going

EBRI Notes – December 2014

"What to Expect During Open-Enrollment Season: Findings From the SHRM/EBRI 2014 Health Benefits Survey," and "Mistakes of the Employer"

EBRI In the News RSS

Verdict Is In On Billion Dollar Lockheed Martin Lawsuit And Its Unsettling Light on 401ks
KEYC-TV CBS-12 / FOX-12, 22 December 2014

Study: 2008 market crash delayed retirement for 23%
The HR Specialist, 22 December 2014

Target-Date Funds: Twice As Popular Vs. 15 Years Ago
Investors.com, 20 December 2014

Advice IQ: Making the best use of your IRA

Sign up for EBRIef!

Visit EBRI's Blog!

Recent Media Coverage of EBRI

CHECK OUT EBRI'S WEBSITE!

EBRI's website is easy to use and packed with useful information! Look for these special features:

- EBRI's entire library of research publications starts at the main Web page. Click on *EBRI Issue Briefs* and *EBRI Notes* for our in-depth and nonpartisan periodicals.
- Visit EBRI's blog.
- EBRI's reliable health and retirement surveys are just a click away through the topic boxes at the top of the page.
- Need a number? Check out the *EBRI Databook on Employee Benefits*.
- Instantly get e-mail notifications of the latest EBRI data, surveys, publications, and meetings and seminars by clicking on the "Notify Me" or "RSS" buttons at the top of our home page.

There's lots more!

Visit EBRI online today: www.ebri.org

EBRI Employee Benefit Research Institute Issue Brief (ISSN 0887-137X) is published monthly by the Employee Benefit Research Institute, 1100 13th St. NW, Suite 878, Washington, DC, 20005-4051, at \$300 per year or is included as part of a membership subscription. Periodicals postage rate paid in Washington, DC, and additional mailing offices. POSTMASTER: Send address changes to: *EBRI Issue Brief*, 1100 13th St. NW, Suite 878, Washington, DC, 20005-4051. Copyright 2015 by Employee Benefit Research Institute. All rights reserved. No. 416.

Who we are

The Employee Benefit Research Institute (EBRI) was founded in 1978. Its mission is to contribute to, to encourage, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education. EBRI is the only private, nonprofit, nonpartisan, Washington, DC-based organization committed exclusively to public policy research and education on economic security and employee benefit issues. EBRI's membership includes a cross-section of pension funds; businesses; trade associations; labor unions; health care providers and insurers; government organizations; and service firms.

What we do

EBRI's work advances knowledge and understanding of employee benefits and their importance to the nation's economy among policymakers, the news media, and the public. It does this by conducting and publishing policy research, analysis, and special reports on employee benefits issues; holding educational briefings for EBRI members, congressional and federal agency staff, and the news media; and sponsoring public opinion surveys on employee benefit issues. **EBRI's Education and Research Fund** (EBRI-ERF) performs the charitable, educational, and scientific functions of the Institute. EBRI-ERF is a tax-exempt organization supported by contributions and grants.

Our publications

EBRI Issue Briefs is a monthly periodical with in-depth evaluation of employee benefit issues and trends, as well as critical analyses of employee benefit policies and proposals. *EBRI Notes* is a monthly periodical providing current information on a variety of employee benefit topics. *EBRIef* is a weekly roundup of EBRI research and insights, as well as updates on surveys, studies, litigation, legislation and regulation affecting employee benefit plans, while *EBRI's Blog* supplements our regular publications, offering commentary on questions received from news reporters, policymakers, and others. The *EBRI Databook on Employee Benefits* is a statistical reference work on employee benefit programs and work force-related issues.

Orders/ Subscriptions

Contact EBRI Publications, (202) 659-0670; fax publication orders to (202) 775-6312. Subscriptions to *EBRI Issue Briefs* are included as part of EBRI membership, or as part of a \$199 annual subscription to *EBRI Notes* and *EBRI Issue Briefs*. **Change of Address:** EBRI, 1100 13th St. NW, Suite 878, Washington, DC, 20005-4051, (202) 659-0670; fax number, (202) 775-6312; e-mail: subscriptions@ebri.org **Membership Information:** Inquiries regarding EBRI membership and/or contributions to EBRI-ERF should be directed to EBRI President Dallas Salisbury at the above address, (202) 659-0670; e-mail: salisbury@ebri.org

Editorial Board: Dallas L. Salisbury, publisher; Stephen Blakely, editor. Any views expressed in this publication and those of the authors should not be ascribed to the officers, trustees, members, or other sponsors of the Employee Benefit Research Institute, the EBRI Education and Research Fund, or their staffs. Nothing herein is to be construed as an attempt to aid or hinder the adoption of any pending legislation, regulation, or interpretative rule, or as legal, accounting, actuarial, or other such professional advice. www.ebri.org

EBRI Issue Brief is registered in the U.S. Patent and Trademark Office. ISSN: 0887-137X/90 0887-137X/90 \$.50+.50