

## Comparison: Health Savings Account (HSA) vs Flexible Spending Account (FSA)

HSAs and FSAs help you pay for qualified health, dental and/or vision care expenses. This includes deductibles, copayments, coinsurance and prescription costs. Compare the account features to determine which may be best for you.

	Health Savings Account (HSA)	Health Care Flexible Spending Account (FSA)
<b>Account Ownership</b>	Employee / Individual	Employer (held in Employee's name)
<b>Deposits Made By</b>	Employer, Employee or Both	Employee
<b>Separate Account</b>	Required	None
<b>Expenses Covered</b> <a href="#">IRS Publication 502 (Medical and Dental Expenses)</a>	Medical, dental, vision, prescription, over-the-counter expenses. COBRA, retiree medical insurance premiums, LTC premiums or expenses	Medical, dental, vision, prescription and some over-the-counter expenses
<b>Health Plan Design Requirements</b>	Must be covered by qualified High Deductible Health Plan (HDHP) and not covered by any plan that covers medical expenses before the deductible	May be covered by HDHP (limited purpose FSA only) or Health Plan
<b>Contribution Limits</b>	2023: \$3,850 individual; \$7,750 family 2024: \$4,150 individual; \$8,300 family Catch-up: \$1,000	2023: \$50 - \$2,850 2024: \$50 - \$3,050 Limit is per person. Employers may have a lower limit than what the IRS allows.
<b>Rollover/Carryover</b>	Full rollover from year to year	2023: \$570 2024: \$50 - \$610 <i>*\$50 minimum does not apply if re-enrolled</i>
<b>Funds Availability</b>	As deposits are credited	Full annual election available on first day of plan year (January 1st)
<b>Tax Advantage</b>	Triple tax advantage: contributions, distributions, and investment earnings	Paycheck contributions are pre-tax
<b>Claim Adjudication</b>	Unnecessary, though participants should retain receipts in the event of IRS audit	Required
<b>Compatibility with Other Accounts</b>	May be paired with Dependent Day Care Account. If paired with Health Care FSA, Health Care FSA limited to dental, vision, post-deductible medical expenses	May be paired with Dependent Day Care Account. If paired with HSA, Health Care FSA limited to dental, vision, post-deductible medical expenses
<b>Employer Contributions</b>	Can be made on behalf of active employees. up to \$750 individual, \$1,500 family	None
<b>COBRA</b>	Does not apply	Applies
<b>Debit Card Usage</b>	Yes	Yes
<b>Contributions for Medicare Participants</b>	Contributions cannot be made once an individual has Medicare coverage	No limits on contributions
<b>Usage for Ineligible Expenses</b>	Amount included in income; subject to 20% penalty unless beneficiary death, disability or attain age 65	Not allowed
<b>Expenses Incurred After Individual Loses Eligibility</b>	Allowed	If COBRA is elected and premium is paid