

HSA

VERSUS

FSA

COMPARISON: WHICH IS BEST FOR YOU?

HSA is also known as "Health Spending Account".

FSA is also known as "Flex Spending Account."

HSA are managed by the account holder.

FSA are managed by the account holder, but may have some restrictions varying on the employer's design plan.

Funds are contributed to your HSA from payroll, pre-taxed. This reduces your taxable income.

Unlike a HSA maximum contribution of \$3,550 for single and \$7,100 for families (as of 2020), the maximum contribution for a FSA is \$2,700 annually as of 2019.

Any after-tax contributions to your HSA are tax deductible, which means less taxes paid to the IRS (No double dipping IRS).

Employers have the option to elect a lesser limit depending on their FSA design plan.

If you have a high deductible insurance plan, you may participate in a Limited Purpose HRA or Health FSA. Expenses are limited to dental and vision.



Contributions roll over into the following year. Did I mention, ALL contributions roll over into the following year?

Limited Purpose Medical FSA works with a qualified high deductible plan (HDHP) & HSA. Only allows reimbursement for preventative care, vision, and dental expenses.

There is a wide range of "Medical Eligible" expenses. It ranges from :

Dependent Care FSA allows reimbursement of dependent care expenses such as: Daycare.

- **Babysitting Services**
- **Before & After School Programs**
- **Custodial or Elder expenses (not medical care)**
- **Dental**
- **Contact Lens**
- **Midwife**
- **Guide Dog**
- **Over the Counter Medicine**
- **Special Education Services (recommended by doctor)**
- **And so much more.**

FSA allows reimbursement for eligible medical expenses such as:

- **Prescription Drugs**
- **Hearing Aids**
- **Weight Loss Programs to treat obesity**
- **Physical Therapy**
- **Smoking Cessation Programs**
- ** And More**



The Best Part

- HSA also function as a retirement account. After the age of 65, funds can be utilized for any purpose without penalty.
- Account holder's have the opportunity to increase their savings by investing contributions. Investing contributions through a variety of HSA self-directed investment options.
- HSA earn interest ***TAX FREE*** when utilized for IRS qualified medical expenses. Did you know, medical expenses are also ***TAX FREE*** ?
- Your employer may contribute to your HSA. Inquire with the Human Resource Department or read your employee handbook.
- FSA allow account holder to save pre-tax dollars from their paycheck that can be used toward eligible health care expenses.
- Account holders can roll over a maximum of \$500 of their annual contributions per year into the next year ****ONLY**** if this is an option and allowed by the employer's plan.
- Just like a HSA, FSA contributions can also be used for qualified medical expenses incurred by the account holder, their spouse and their dependents.

