

COMPARING YOUR HEALTH CARE SAVINGS VEHICLE OPTIONS

Health savings accounts (HSAs), health reimbursement accounts (HRAs) and health care flexible spending accounts (FSAs) are all designed to help you cover qualified health care expenses. However, there are some important distinctions among them. Let's take a look at how these savings vehicles stack up.

THE BASICS

	HSA	HRA	HEALTH CARE FSA	LIMITED-PURPOSE HEALTH CARE FSA
Eligibility Requirements	You must be enrolled in a qualified high-deductible health plan.	You must be enrolled in a group medical plan that meets health care reform requirements and is tied to the HRA.	You must be benefits eligible and not be enrolled in a qualified high-deductible health plan.	You must be benefits eligible and enrolled in a qualified high-deductible health plan.
Who Owns the Account	You.	Your employer (held in your name).		

CONTRIBUTIONS

	HSA	HRA	HEALTH CARE FSA	LIMITED-PURPOSE HEALTH CARE FSA
Employer Contributions	At your employer's discretion.			
Your Contributions	You have the opportunity to save money by deferring a portion of your paycheck on a pre-tax basis, or by making post-tax contributions.	You are not permitted to contribute toward an HRA.	You have the opportunity to save money by deferring a portion of your paycheck on a pre-tax basis.	
Contribution Limit	Any HSA contributions you elect to make, when combined with any employer contributions and/or incentives earned (if applicable), cannot exceed the 2018 IRS limits of \$3,500 for employee-only coverage and \$7,000 for all other tiers. Individuals 55 and older may make an additional "catch up" contribution of \$1,000.	Not applicable.	\$2,650, regardless of tier.	
Special Contribution Limits for Medicare-Eligible Participants	HSA contributions cannot be made once you are enrolled in Medicare coverage.	None.		

DISTRIBUTIONS

	HSA	HRA	HEALTH CARE FSA	LIMITED-PURPOSE HEALTH CARE FSA
When Funds Are Available for Distribution	As deposits are credited.	As deposits are credited; may be credited in a lump sum.	Full annual election available on first day of coverage.	
Eligible Expenses	Qualified medical, prescription drug, dental and vision expenses not covered by insurance. You can also use HSA funds to cover COBRA premiums, qualified long-term care insurance and expenses, health insurance premiums when receiving unemployment and Medicare and retiree health insurance premiums (excluding Medicare supplement and Medigap insurance premiums).	Qualified medical, prescription drug, dental and vision expenses not covered by insurance. You can also use HRA funds to cover post-tax insurance premiums.	Qualified medical, prescription drug, dental and vision expenses not covered by insurance.	Qualified dental and vision expenses not covered by insurance. No “double dipping” allowed. You cannot use funds from both an HSA and a limited-purpose health care FSA to cover the same eligible expense.
Usage for Ineligible Expenses	Allowed. Amounts included in income; subject to 20% penalty unless after account beneficiary’s death, disability or attaining age 65.		Not allowed.	

ONGOING MAINTENANCE

	HSA	HRA	HEALTH CARE FSA	LIMITED-PURPOSE HEALTH CARE FSA
Changing Your Contribution Amounts	You can change how much you contribute to your HSA at any point during the year.	Not applicable.	Contribution amounts can only be adjusted during Open Enrollment, unless you experience a qualified life event (e.g., marriage, birth, adoption, etc.).	
Investments/Interest Earning Capabilities	Your HSA may earn interest, and once you reach a certain balance, you may also make investments.	An HRA is a non-interest bearing account.	An FSA is a non-interest bearing account.	
Rollover	HSA funds roll over year to year if you don’t spend them.	At your employer’s discretion.	Up to \$500 at your employer’s discretion. Any funds above that will be forfeited if not used by the end of the plan year or plan year grace period.	
Portability	You can take your HSA funds with you even if you change jobs, switch health care plans or leave the work force. There is no “use it or lose it” risk.	At your employer’s discretion.	You will lose your FSA if you leave the work force.	