

HSA vs FSA

Both benefit accounts help employees save money by allowing them to set aside tax-free money to pay for deductibles, co-pays, prescriptions and other qualified medical expenses not paid by health insurance. However, there are many differences between HSAs and FSAs that are important to know when deciding which is right for you and your family.

HEALTH SAVINGS ACCOUNT

FLEXIBLE SPENDING ACCOUNT

Owned by the account holder. HSAs can be established by self-employed or unemployed individuals .



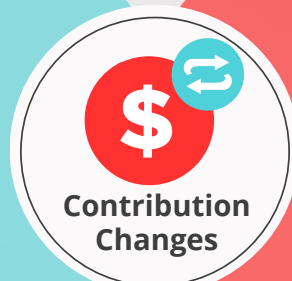
Employer-owned. An employer must offer the benefit in order for you to enroll.

Must be enrolled in a High-Deductible Health Plan (HDHP)



Your employer must offer the benefit. No self-employed individuals. Employer health plan enrollment is not required.

Can change or update contribution amounts anytime.



Contribution amounts can only be changed during open enrollment or with a change in employment or family status

Can only access amount that has been contributed



Can access full annual contribution amount on the first day of the plan year.

Funds roll over from year to year.



Unused funds are lost at the end of the plan year unless your employer offers a grace period or carryover.

Can invest funds once threshold is met



Cannot invest funds. All funds must be used before the plan year ends.

Contributions, capital gains, and interest are generally tax free when withdrawals are used for eligible expenses.



Contributions are pre-tax and withdrawals for eligible expenses are tax free, however, the account does not earn interest.

The employee keeps the account even if they change jobs.



The account is forfeited if you change or lose your job.