What's the Difference?

Health Savings Account (HSA) vs. Flexible Spending Account (FSA)

	HEALTH SAVINGS ACCOUNT **ABC Plans 1, 2 or 3**	**FLEXIBLE SPENDING ACCOUNT** **CHOICES or Essentials Plan**
What is it?	Tax-advantaged account owned by employEE that allows the account holder to save and pay for qualified medical expenses.	Tax-advantaged account owned by employer that allows employees to pay for qualified medical expenses.
Who is eligible?	Individuals covered by a high-deductible health plan and who don't have other non-HDHP coverage.	Any employee, subject to employer-designed exclusions.
Who funds it?	• Individual • Employee via pre-tax payroll deduction • Employee may choose to fund or not to fund their account	• Employee via pre-tax payroll deduction – our payroll deductions are made over the first 20 payrolls of the employee in the calendar year.
Is contribution amount adjustable?	Yes	No, unless there is a qualifying event.
Maximum annual contribution?	2021 Single - $3,600 2021 Family - $7,200	$2,750
Catch-up contribution allowed?	Yes, ages 55 and older until employee is enrolled in Medicare at age 65 - $1,000	No
Year to year carryover of unused fund?	Yes	Yes, up to $550. Any balance over $550 is forfeited. Carryover funds are not available for use until April of the following year.
Interest and earnings?	Yes	No
Is personal health information private?	Yes	No. Employee has to provide explanation of expenses to be reimbursed.
Investment options?	Yes	No
Portability?	Yes, the employee owns the account and can use it in retirement or if they change employers.	No
If I close my account, can I receive the remaining balance?	Yes, without penalties or tax if the employee is age 65 or older.	No
Can I pay COBRA premiums or other plan premiums with it?	Yes	No

Employees with an HSA plan can elect a Flexible Spending Plan Account for Dependent Care and/or a Limited Purpose Flex Account. The Limited Purpose Flex Account is for use with dental and vision expenses ONLY.