

Criteria	FSA	HSA
<b>Overview</b>		
General Purpose	Funding predictable healthcare expenses in the current year with pre-tax dollars.	Funding a lifetime of healthcare expenses with pre-tax dollars.
Account Owner	<b>Employer</b> Because the account belongs to your employer, your participation in the plan ends when your employment is terminated.	<b>Employee</b> Because the account belongs to the employee, they maintain ownership after they leave the company.
Health Plan Pairings	Can be paired with any health plan.	Must be paired with a qualified HDHP: • Deductible not less than \$1,600 for single or \$3,200 for family (2024) • Annual out-of-pocket expenses do not exceed \$8,050 for single or \$16,100 for family (2024)
Distribution of Funds	<b>Eligible Medical Expenses Only</b> Funds may be used to pay for eligible medical expenses only; cannot access for non-medical reasons.	<b>Eligible Medical Expenses with Exceptions</b> Funds are to be used to pay for eligible medical expenses, but may be withdrawn for non-medical expenses with 10% penalty.
Timing of Usage	<b>Check with your employer to see if you have rollover or grace period for your FSA.</b> <b>FSA with Rollover</b> Up to \$640 (2024) of remaining balance may be rolled over to be used in the following plan year. Check with your employer to confirm your rollover amount limit. <b>FSA with Grace Period</b> Account balance must be used by the end of the grace period for that plan year; unused balance is forfeited.	<b>Funds are Never Forfeited</b> Reimbursement can be made for any eligible expense incurred from the HSA open date to the current date. Funds do not expire, making an HSA an excellent savings vehicle.
Earnings Investments	No earnings paid.	Some HSA offerings provide integrated investment options and/or interest benefits.
Tax Savings	<b>Tax-deductible</b> Employer contributions are tax-deductible. <b>Tax-free</b> Employee contributions made via payroll deduction are taken out prior to income tax assessment.	<b>Tax-deductible</b> Employer contributions and contributions made by employees (i.e. from their bank account) are tax-deductible. Employee contributions by payroll deferral are pre-tax.
<b>Contributions</b>		
Source of Contributions	Employer: optional Payroll deferral: optional From employee bank account: not allowed	Employer: optional Payroll deferral: optional From employee bank account: optional
Contributions	Annual election amount is determined by the participant during open enrollment and deducted evenly per pay period; Changes may only be made due to a qualified life event (marriage, birth, etc.).	Annual election amount is determined by the participant during open enrollment and deducted evenly per pay period; Employees can adjust contributions throughout the year up to IRS limit; Employers may also contribute.
Contribution Limit	IRS limit of \$3,200 (2024)	IRS limit of Single: \$4,150 Family: \$8,300 (2024) Additional \$1,000 annual catch-up contribution for age 55+.
<b>Disbursements</b>		
Access to Funds	Pay providers directly via debit card or submit claims for reimbursement.	Pay providers directly via debit card or online bill pay, or on the provider's website via ACH.
Claims for Reimbursements	Submit a claim for reimbursement and receipts online, by fax, or using the mobile app.	There are no claims. Employees pay for eligible expenses directly from the account.
Substantiation Requirement	Receipts and Explanation of Benefits (EOBs) should be kept for all purchases. Your plan administrator will require them for reimbursement.	There is no requirement for substantiation. The participant is solely responsible for proper use of funds. Documentation should be kept in case of IRS audit.
Cash Withdrawal	Not permitted.	Cash withdrawals are allowed. The cash must be used on an eligible expense or be subject to a 20% penalty. After age 65, cash withdrawals can be made for non-eligible expenses penalty-free but subject to income taxes.