



# COMPARING HEALTH CARE SAVINGS VEHICLE OPTIONS

Health savings accounts (HSAs), limited-purpose health care FSA (LPFSAs) 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	LIMITED-PURPOSE HEALTH CARE FSA	HEALTH CARE FSA
<b>Eligibility Requirements</b>	You must be enrolled in a qualified high-deductible health plan.	You must be benefits eligible and enrolled in a qualified high-deductible health plan.	You must be benefits eligible and <b>not</b> be enrolled in a qualified high-deductible health plan.
<b>Who Owns the Account</b>	You.	Your employer (held in your name).	

## CONTRIBUTIONS

	HSA	LIMITED-PURPOSE HEALTH CARE FSA	HEALTH CARE FSA
<b>Employer Contributions</b>	At your employer's discretion.		
<b>Your Contributions</b>	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 have the opportunity to save money by deferring a portion of your paycheck on a pre-tax basis.	
<b>Contribution Limit</b>	Any HSA contributions you elect to make, when combined with any employer contributions and/or incentives earned (if applicable), cannot exceed the 2022 IRS limits of \$3,650 for employee-only coverage and \$7,300 for all other tiers. Individuals 55 and older may make an additional "catch up" contribution of \$1,000.	\$2,850, regardless of tier.	
<b>Special Contribution Limits for Medicare-Eligible Participants</b>	HSA contributions cannot be made once you are enrolled in Medicare coverage.	None.	

## DISTRIBUTIONS

	HSA	LIMITED-PURPOSE HEALTH CARE FSA	HEALTH CARE FSA
<b>When Funds Are Available for Distribution</b>	As deposits are credited.	Full annual election available on first day of coverage.	
<b>Eligible Expenses</b>	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 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.	Qualified medical, prescription drug, dental and vision expenses not covered by insurance.
<b>Usage for Ineligible Expenses</b>	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	LIMITED-PURPOSE HEALTH CARE FSA	HEALTH CARE FSA
<b>Changing Your Contribution Amounts</b>	You can change how much you contribute to your HSA at any point during the year.	Contribution amounts can only be adjusted during Open Enrollment, unless you experience a qualified life event (e.g., marriage, birth, adoption, etc.).	
<b>Investments/Interest Earning Capabilities</b>	Your HSA may earn interest, and once you reach a certain balance, you may also make investments.	An FSA is a non-interest bearing account.	
<b>Rollover</b>	HSA funds roll over year to year if you don’t spend them.	Up to \$580 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.	
<b>Portability</b>	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.	You will lose your FSA if you leave the work force.	