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Get the Scoop on FSAs and HSAs



Flexible Spending Account (FSA)

A Flexible Spending Account is an employer-provided healthcare plan option that allows you to save pre-tax funds in an account for eligible health care expenses.



Health Savings Account (HSA)

A Health Savings Account is a tax-advantaged savings account that lets you set aside money to cover expected and unexpected eligible healthcare expenses throughout your lifetime.

Contribution Amounts Set by the IRS

FSA — Maximum annual contribution
\$2,600 Individual

HSA — Maximum annual contribution
\$3,450 Individual
\$6,900 Family
\$1,000 Age 55+ catch-up

Advantages

FSA

- Pre-tax salary reduction helps pave the way to really stretch hard-earned dollars¹
- Some employers now offer carryover so you don't have to "use it or lose it"



HSA

- HSAs are triple-tax advantaged contributions²
 - Pre-tax for federal tax purposes
 - Interest that may be earned on the HSA account is tax-free
 - Money is not taxed when withdrawn to pay for qualifying 213(d) eligible healthcare expenses

Use of Funds

FSA

Use a Visa debit card to access FSA funds to pay for eligible healthcare expenses including:

- Copays/deductibles
- Prescriptions
- Dental services: cleanings, orthodontia, dentures
- Physical exams
- Vision care: exams, new glasses, laser eye surgery
- Medical equipment: blood pressure monitor, thermometers
- Chiropractor or acupuncturist
- Hearing exams and aids
- Smoking cessation programs

HSA

Securely access HSA funds on a Visa debit card and use to pay for medical expenses now or continue to contribute and save money for later – either to cover large unexpected or expected eligible healthcare expenses, or save for retirement³



¹ <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/2017-fsa-contribution-limits.aspx>

² <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/irs-sets-2018-hsa-contribution-limits.aspx>

³ Prior to age 65, HSA funds can be used for non-healthcare related purchases with a 20% penalty plus taxes. After age 65, HSA funds used for non-healthcare related purchases are penalty free and only incur taxes.

