



# Key differences between HSA & FSA



## HSA

Think of an HSA like a 401(k) for healthcare. An HSA can be used to pay for healthcare costs today and for years to come.



## FSA

An employer-provided spending account. Yearly pre-tax funds set aside for eligible healthcare expenses.

### Eligibility

Must be enrolled in an HSA-eligible **High-Deductible Health Plan**.

**Available only for employees.** Not self-employed individuals. Employer health plan enrollment is not required.

### Ownership

Owned by the **account holder**.

Owned by the **employer**.

### Contribution Selection

Change your contribution amount **anytime** during the year.

**Set annually.** Can only change after a Qualifying Life Event.

### Funded By

**Anyone** can fund an HSA (employers included).

**Employer and/or employee-funded.**

### 2024 Contribution Limit

**Individual:** \$4,150  
**Family:** \$8,300  
**Age 55+ catch up:** \$1,000

|                                    |   |
|------------------------------------|---|
| <b>General Purpose:</b><br>\$3,200 | <b>Dependent Care:</b> \$5,000<br><small>(single or married couples filing jointly)</small> |
| <b>Limited Purpose:</b><br>\$3,200 | <b>Dependent Care:</b> \$2,500<br><small>(married couples filing separately)</small>        |

### Tax Advantages

**Triple Tax Advantages:** Tax-free contributions, distributions, and growth.

**Contributions and withdrawals** for qualified expenses are tax-free.

### Covered Expenses

IRS-qualified **medical, vision, and dental expenses**. For the account holder and tax-dependents.

IRS-qualified **medical, vision, dental, and care expenses**. Varies by type of FSA. For the account holder and tax-dependents.

### Funds Availability

**As funds are deposited.**

Funds are fully available on the **first day of the plan year**. (For Dependent Care, funds are deposited each pay cycle.)

### Portability

HSAs are owned by the **individual**. Funds are yours for life and never expire.

**Forfeited if you change or lose your job.** The employer keeps the remaining balance.

### Carryover or Grace Period

Yes. HSA funds carry over and **never** expire.

**If allowed by the employer.** Carryover of up to \$640 (in 2024) or 2.5 months grace period.

### Investment Capability

**Yes** — Interest and earnings grow tax-free.

**No investment option.**