

Differences between a Flexible Spending Account (FSA) and a Health Savings Account (HSA)

FSA:

- Use it or lose it – if you don't spend the entire amount in the plan year, you lose it
- 2013 IRS Maximum Contribution per calendar year is \$2,500 (medical FSA)
- No additional "catch-up" contributions are allowed
- Account is owned by the Employer
- Account is not portable
- No pre-funding is required. The entire amount you allocate for your FSA is available on the effective date
- Cannot accrue interest on balances, or invest the money
- You cannot be enrolled in a Health Savings Account and also be enrolled in a Full FSA

HSA:

- Account balance rolls over year to year
- IRS Maximum Contribution per calendar year into an HSA for 2013 is \$3,250 for Single coverage and \$6,450 for all other tiers of coverage
- Additional \$1,000 "catch-up" contributions allowed for those 55 and older
- Account is owned by the employee/individual
- Account is portable
- Funding is required for reimbursement (you must have money in the account before you can spend it)
- Earn interest on account balances and money can be invested
- You must be enrolled in a HDHP (High Deductible Health Plan)