




HEALTH ACCOUNTS

Comparing HSA vs. HRA vs. FSA




Health reimbursement accounts (HRAs), health savings accounts (HSAs) and health care flexible spending accounts (FSAs) are all offered by HealthFlex. They share some similar traits, but have important differences. Learn more below.

	 HealthFlex HSA	 HealthFlex HRA	 HealthFlex Health Care FSA
Which Plans?	H1500 with HSA, H2000 with HSA, H3000 with HSA	C2000 with HRA, C3000 with HRA	H1500 with HSA, H2000 with HSA, H3000 with HSA, C2000 with HRA, C3000 with HRA, B1000
How Funded?	<ul style="list-style-type: none"> • May be funded by plan sponsor¹ • You may add money to an HSA (optional) • May include extra premium credit (if applicable) 	<ul style="list-style-type: none"> • Funded by plan sponsor • You are not permitted to add money • May include extra premium credit (if applicable) 	<ul style="list-style-type: none"> • You fund your FSA
Earnings / Interest	May earn tax-deferred investment earnings based on account or fund you select	None	None
Tax Implications²	<p>Triple tax advantage:</p> <ol style="list-style-type: none"> 1. Contributions are excluded from gross income and are not subject to federal income tax 2. HSA earnings accrue tax-free 3. HSA withdrawals, including investment earnings, are tax-free for eligible expenses 	<ul style="list-style-type: none"> • Plan sponsor contributions are excluded from your gross income and are not subject to federal income tax • HRA withdrawals are tax-free for eligible expenses 	<ul style="list-style-type: none"> • Your contributions are excluded from gross income and are not subject to federal income tax • FSA withdrawals are tax-free for eligible expenses
Annual Funding Limit 2023	<p>Annual federal limit for total HSA contributions (plan sponsor + your money).</p> <ul style="list-style-type: none"> • \$3,850 (self-only) or • \$7,750 (family) • Individuals over 55 may contribute extra \$1,000 annually (\$4,850 self-only, \$8,750 family) 	<ul style="list-style-type: none"> • No annual limit • Amount determined by plan sponsor 	<ul style="list-style-type: none"> • \$300 minimum—\$3,050 maximum
Funds Availability	<ul style="list-style-type: none"> • Any plan sponsor contributions¹ are available for use upon deposit at beginning of plan year • Monthly share of participant contributions and any excess premium credit are available each month on the 5th 	<ul style="list-style-type: none"> • Available for use at beginning of plan year 	<ul style="list-style-type: none"> • Available for use at beginning of plan year

¹ H3000 has no plan sponsor HSA funding unless there is excess premium credit.

² There may be additional tax implications for individuals approaching Medicare eligibility within the plan year. Please consult your tax adviser if you will soon be Medicare eligible.

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	 HealthFlex HSA	 HealthFlex HRA	 HealthFlex Health Care FSA
Eligible Expenses / Usage	<ul style="list-style-type: none"> Use primarily for eligible health care expenses for tax dependents¹ If used for non-health care expenses, tax penalty may apply Limited use for premiums: Limited to continuation coverage, long-term care or Medicare (not including Medicare supplement) 	<ul style="list-style-type: none"> Use only for eligible health care expenses for those covered in the medical plan (not premiums, except after retirement) After retirement: May use for premiums (medical, dental, vision and long-term care)—primary participant only 	<ul style="list-style-type: none"> Use for eligible health care expenses for tax dependents and children under 27 at the end of the tax year May not use for premiums or long-term care
Substantiation / Documentation (“Proof” of Claim)	<ul style="list-style-type: none"> Not required by Wespath or HealthEquity, but you are responsible for reporting any taxable HSA distributions to the IRS 	<ul style="list-style-type: none"> Required² 	<ul style="list-style-type: none"> Required²
Carry-Over at Year-End	<ul style="list-style-type: none"> Unused balance carries over year to year No dollar limit on accumulated balance 	<ul style="list-style-type: none"> Unused balance carries over year to year <i>as long as you remain in HealthFlex</i> and through retirement No dollar limit on accumulated balance 	<ul style="list-style-type: none"> \$610 carryover permitted to the following plan year. Remainder forfeited if not spent by December 31 (run-out period to file claims: through April 30 of the following year)
Compatibility with Other Reimbursement Accounts	<ul style="list-style-type: none"> Compatible with limited-use FSA or HRA 	<ul style="list-style-type: none"> Compatible with FSA <i>If contributing to HSA, HRA is limited to dental and vision expenses only³</i> 	<ul style="list-style-type: none"> Compatible with HRA. FSA pays first—HRA pays only after FSA funds are exhausted. <i>If contributing to HSA, FSA is limited to dental and vision expenses only³</i>
If You Retire	<ul style="list-style-type: none"> Unused balance is <i>portable; remains with you indefinitely</i> regardless of employment/appointment 	<ul style="list-style-type: none"> As long as you retire in accordance with retirement rules of the plan and your plan sponsor’s policy the unused balance remains until exhausted 	<ul style="list-style-type: none"> Eligible expenses can only be incurred through your last date of HealthFlex coverage pre-retirement Deadline to file claims: 90 days after leaving HealthFlex
If You Terminate Employment or Waive HealthFlex	<ul style="list-style-type: none"> Unused balance is <i>portable; remains with you indefinitely</i> regardless of employment/appointment 	<ul style="list-style-type: none"> Unused balance can be used for eligible expenses for up to 90 days after termination or waiver 	<ul style="list-style-type: none"> Eligible expenses can only be incurred through your last date of HealthFlex coverage Deadline to file claims: 90 days after leaving HealthFlex

¹ As defined in IRS Publication 969 and Internal Revenue Code Section 152

² May not be required with debit card use

³ Limited use until participant notifies HealthEquity that the IRS-defined deductible has been met; then can be used for all eligible health care expenses. (2023 IRS-defined deductible: \$1,500 individual, \$3,000 family)

Dependent care FSA: Annual contribution limit—\$5,000 (\$2,500 for taxpayers who are married filing separately) . Contributions are available monthly as they are deposited to the FSA on 5th of the month.

More information is available through the [Benefits Access](https://benefitsaccess.org) website at benefitsaccess.org

Disclaimer: This document is provided as a general informational and educational service to HealthFlex participants. The document does not constitute legal, tax or consumer advice. Readers may want to consult with a tax adviser, legal counsel or other professional adviser before acting on any information in this document. Wespath Benefits and Investments (Wespath) expressly disclaims all liability in respect to actions taken or not taken based on the contents of this document. Readers also may want to review additional documents provided by HealthFlex for more information about the plans and HRA or HSA reimbursement accounts.