

What are



HSA's?



Even if you have an FSA or HSA, it's easy to confuse them.

Flexible spending accounts (FSAs) and health savings accounts (HSAs) provide tax-favored ways to reimburse you for eligible medical expenses. But FSAs and HSAs are different. For example, an FSA is subject to an annual "use it or lose it" rule while unused amounts in an HSA may be carried over for use in a later year. Here's a quick overview of each:

FSAs

What is it?

A flexible spending account (FSA) is a special account, established by your employer, to put money into that you use to pay for certain out-of-pocket healthcare costs. You don't pay taxes on this money. This means you'll save an amount equal to the taxes you would have paid on the money you set aside.

CAN be used for:

- Deductibles and co-payments
- Prescription medications
- Prescribed OTC medications
- Eligible OTC drugs, medication and medical supplies without prescription
- Medical equipment

CANNOT be used for:

- Expenses already reimbursed
- Insurance premiums
- Personal hygiene products
- Cosmetic procedures, products or services

Do the funds roll over?

Typically, amounts that are not used in an FSA for a year are forfeited, but an FSA may be designed to allow you to 1) roll over a certain amount or 2) give you extra time to use up amounts in your account. Check with your benefits administrator.

Maximum contributions per year

Check with your benefits administrator to find out your maximum contribution per year.

HSAs

What is it?

A health savings account (HSA) is more like a personal savings account. You or your employer may establish it and contribute to it tax-free. Those amounts remain tax-free if you use them to pay for medical expenses. You control the account. Unspent amounts remain in your account from year to year, even if you leave your employment. To set up an HSA, you must participate in a high-deductible health plan, and you can't have other health coverage that covers basic medical expenses.

CAN be used for:

- Deductibles and copayments
- Prescription medications
- Prescribed OTC medications
- Eligible OTC drugs, medication and medical supplies without prescription
- Medical equipment

CANNOT be used for:

- Expenses already reimbursed
- Most insurance premiums
- Personal hygiene products
- Cosmetic procedures, products or services

Do the funds roll over?

Funds are not forfeited; contributions roll over year to year and funds can be invested.

Maximum contributions per year

Check with your benefits administrator to find out your maximum contribution per year.

BOTH

Two ways to redeem your FSA or HSA

1 Pay for eligible items with your FSA/HSA card.

2 Contact your account administrator for instructions on how to be reimbursed for your eligible purchases.