FLEXIBLE **SPENDING** ACCOUNT	HEALTH **SAVINGS** ACCOUNT	HEALTH **REIMBURSEMENT** ACCOUNT

Flexible Spending Accounts (FSA), Health Savings Accounts (HSA) and Health Reimbursement Accounts (HRA) can all be offered to you by your employer. They're all designed to help you cover qualified medical expenses, *but how are they different?*

Who is eligible?

FSA An individual who is enrolled in a health insurance plan through their employer and whose employer offers an FSA option

HSA Any individual who:

» Is enrolled in a qualified high-deductible health plan (QHDHP)
» Is not covered by another health plan that is not a high-deductible health plan (HDHP)
» Is not enrolled in Medicare
» Cannot be claimed as a dependent on another person's tax return

HRA An individual who is enrolled in a health insurance plan through their employer and whose employer offers an HRA option

What can you use the money for?

FSA Out-of-pocket costs like deductibles and copays; medical equipment like crutches, and supplies like bandages

HSA Qualified medical expenses such as LASIK eye surgery and orthodontia needs

HRA The employer determines what kind of qualified medical expenses the money in an HRA will pay for. Typically, they are preventive costs like immunizations and regular physicals.

For a complete list of eligible medical expenses for HSAs and FSAs, check out Publication 502 from the IRS.

Who contributes to the accounts?

FSA The employee who owns the account. Before the plan year begins, the employee estimates eligible medical expenses and specifies the amount of money they want to set aside.

HSA An individual, an employer or both. You can set up an HSA through your employer or a financial institution.

HRA Only the employer.

How much money can you put in?

FSA The IRS annual maximum for 2018 is $2,650.

HSA Contribution amounts can vary based on the type of HDHP you have. The IRS annual maximum for 2018 is $3,450 for an individual and $6,900 for a family.

HRA The employer will determine how much money will be put in to the account.

Do the funds roll over from year to year?

FSA Generally, no. Employers are not required to, but can provide a grace period for an employee to use the money in their FSA, or they can allow an employee to carryover up to $500 to the following year. An employer can offer either one of these options, but not both.

HSA Yes. Funds in an HSA roll over year to year if you don't use them and will earn interest. This allows a person to save for future medical expenses.

HRA Generally, yes. However, the terms of the HRA are defined by the employer. Check with your employer to learn more.

BlueCross BlueShield of Kansas

bcbsks.com

Sources: Healthcare.gov, IRS.gov