

# Health Accounts Comparison

This guide is a summarized overview of the differences between FSAs, HRAs and HSAs. This guide is not intended to be substituted for legal advice. Regulatory changes and IRS maximums are updated throughout the year. Updates can be found at [IRS.gov](https://www.irs.gov).

The information provided herein is up to date as of February 2021.

	Flexible Spending Account (FSA)	Health Reimbursement Arrangement (HRA)	Health Savings Account (HSA)
<b>Definition</b>	Employer-owned and established account used to pay for qualified healthcare expenses	Employer-owned health plan established to help employees pay for certain qualified healthcare expenses	Individually-owned savings account, paired with a High Deductible Health Plan (HDHP) and used to pay for qualified healthcare expenses
<b>Employee Eligibility</b>	Must be eligible to participate in employer's health plan  <b>Ineligible:</b> Self-employed individuals Sole proprietors Partners & LLC members >2% owners in S-Corporations	Must be eligible to participate in employer's health plan*  <b>Ineligible:</b> Self-employed individuals Sole proprietors Partners & LLC members >2% owners in S-Corporations	Must be enrolled in an HDHP and have no other disqualifying coverage  <b>Ineligible</b> (may be eligible post-tax): Self-employed individuals Sole proprietors Partners & LLC members >2% owners in S-Corporations
<b>Eligible 213(d) Expenses</b>	<b>All</b> except premiums for insurance and long-term care.	<b>Depends.</b> Plan design determines eligible 213(d) expenses	<b>Most.</b> There are additional eligibility requirements for insurance premiums.
<b>Tax Benefits</b>	Both employees and employers may contribute pre-tax and save on employment taxes and income taxes.	Employer contributions are tax-deductible by the employer.	Both employees and employers may contribute pre-tax and save on employment taxes and income taxes. Account is interest-earning and can be invested.
<b>Who can contribute</b>	Employee and employer	Employer only	Anyone
<b>Contribution Limits (2021)</b>	Employee - \$2,750 Employer - \$500 or match	Depends on plan design	\$3,600/Single HDHP Plan \$7,200/Family HDHP Plan
<b>What happens to unused contributions?</b>	Use-it-or-lose it  Rollover and grace period provisions available	Depends on plan design  Rollover provisions available	Remain in account
<b>Are Receipts Required?</b>	Yes	Yes	No, but receipts should be saved by employee
<b>Termination</b>	Funds are forfeited, COBRA may apply	Funds are forfeited, COBRA may apply	Employee keeps account
<b>Employer Compliance Requirements**</b>	ERISA, COBRA, HIPAA, nondiscrimination testing, multiple IRS requirements	ERISA, COBRA, HIPAA, PCORI, nondiscrimination testing, multiple IRS requirements	Nondiscrimination testing, multiple IRS requirements

\* The HRA overview is not inclusive of certain HRA plan designs, including QSEHRAs, EBHRAs, ICHRAs, or LPHRAs.

\*\* There are multiple compliance requirements impacting tax-advantaged plans and health plans, some of which may not be listed here. To determine which regulatory requirements your plans are subject to, please contact your employee benefit counsel