



HSAs vs. FSAs

Health “Savings” Account HSAs

Flexible “Spending” Account FSAs

Eligibility to Contribute:

You must be on a “high-deductible” health plan that meets IRS definitions. You cannot be covered under any other “traditional” plan including a FSA, unless it is a limited purpose FSA for dental and vision services only.

You can be on a “traditional” health plan.

Account Ownership:

The HSA is a bank account owned by you, regardless of where you work. The money goes with you even if you leave your employer or change plans.

The FSA account is set up and owned by your employer so you lose any money in the account if you leave your employer.

Interest:

Able to earn interest

Does not earn interest

Annual Contribution:

In 2025, the single coverage limit is \$4,300 and the family coverage limit is \$8,550.

Limit is \$3,300

Use it or Lose It:

No. Any unused funds in your HSA at the end of the year, stay in your account indefinitely until you spend them.

There is a 3 month carryover provision that allows you to use dates of service from Jan, Feb & March to clear out the previous year’s account. Any unused funds will be forfeited.

Option to Change Contributions:

You can change your election amount when you want as long as it does not exceed the IRS limit.

You can only change your election amount if you have a qualifying event such as marriage, divorce, birth of a child, etc.

Access to Your Money:

You only have access to what has actually been deposited into your HSA to date.

You have access to your entire annual election even if you haven’t had all the money deducted from your check yet.

Claims/Approvals:

You are responsible to the IRS for spending only on Qualified Medical Expenses, and you must provide receipts if audited.

Employer approves if your spending meets IRS requirements

