

FSA's & HSAs.



Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs) are ways for you to save for qualified Medical, Dental and Vision expenses using pre-tax dollars.



You can use your HSA or FSA accounts to pay for qualified expenses such as copays, deductibles and out-of-pocket expenses. In addition, dental services and orthodontia, over-the-counter medications, hearing aids, glasses and contacts, prescription medications are also examples of qualified medical expenses. For a complete listing, view IRS Publication 502.

What is the difference between an HSA and an FSA?

	HSA	FSA
Is Health Insurance Required?	Yes - you can only have an HSA if you are enrolled in a High Deductible Health Plan (HDHP)	No - you do not need to be enrolled in health insurance in order to open an FSA
Do my funds Rollover each year?	Yes - all of the funds in an HSA will rollover from year to year. The money placed in an HSA is yours to keep forever.	If your plan features <i>carry-over</i>, only \$680 will rollover each year. If your plan offers a <i>grace period</i>, you will have 2 ½ months to use up your remaining funds. Anything over the carry-over amount, <u>or</u> after 2 ½ months, remaining in the account will be forfeited at the end of the plan year.
When are the funds available?	Funds for qualified expenses are available as they are placed into the account.	The annual amount you elect to contribute to an FSA is available on the 1st day of coverage.
How much can be contributed annually?	\$4,400 for Single and \$8,750 for Family coverage. Any amount contributed by your employer counts towards the maximums as well. If you are age 55 or older, you can contribute an additional \$1,000 annually.	\$3,400 annually, regardless of whether you are single or a family.
Can I use my funds on my dependents even if they are not on my insurance plan?	Yes!	Yes!

SOME RULES:

- You can not have both a Health FSA and an HSA in the same year.
- You can only enroll in an HSA if you enrolled in a qualified HDHP, such as the one offered by your employer.
- If you are enrolled in your spouse's non-HDHP, or if your spouse participates in an FSA at their workplace, you can not participate in an HSA.
- If you are enrolled in Medicare or Tricare, you are not eligible to contribute to an HSA.
- You are not eligible for an HSA if you can be claimed as a dependent on someone else's tax return.
- Medical expenses incurred prior to establishing your HSA or FSA are NOT eligible expenses.