

HSA vs. HCFSA vs. DCFSA

All three accounts help you save pre-tax dollars for healthcare or dependent care. *They differ in eligibility, ownership, and how money can be used.*



Owned by you

- **Requires** an HSA-qualified high-deductible health plan (HDHP)
- You and/or your employer can **contribute through payroll or direct deposits**
- **Annual contribution limit** set by the IRS
- **Funds** roll over year to year and **stay with you, even if you change jobs**

Best For: Long-term savings and tax-advantaged healthcare spending



Owned and set up by your employer

- Available at the start of the plan year
- **Pre-tax** payroll contributions (IRS annual limit applies)
- **“Use it or lose it”:** unused funds may be forfeited unless your plan offers a carryover or grace period
- **Can be paired** with any type of medical plan

Best For: Predictable medical, dental, or vision expenses.



Covers child or dependent care needed, so you (and your spouse, if applicable) can work

- **Pre-tax** payroll contributions (IRS annual limit applies)
- **Eligible expenses include** daycare, preschool, and after-school care

Key notes:

- You can use HCFSA and DCFSA together
- DCFSA can also be paired with an HSA

Important Rules & Pairings

LEAVING A JOB

HSA funds stay with you, but, *FSA funds are usually lost* at the end of the plan year.

LIMITED PURPOSE FSA

If you're enrolled in an HSA, you may use a "Limited Purpose" FSA (LPFSA*) for dental and vision only.

HSA + DCFSA

A popular combo that *maximizes tax savings for families* with high medical deductibles and child care costs.



FROM EVERYDAY SAVINGS TO LONG-TERM GOALS

Accounts like HSAs and FSAs help stretch your dollars today by using tax-advantaged savings wisely. But long-term financial security also depends on big decisions down the road—like how you finance a home. Scan the QR code to **read “Fixed or Variable Mortgage—Which Should You Pick?”** and see how understanding your options can support your broader financial goals.

<https://www.wealth.truenorthcompanies.com/resource-center/lifestyle/should-you-choose-a-fixed-or-variable>



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* HCFSA is also known as just FSA. LPFSA is also known as Limited Expense Health Care FSA (LEX HCFSA) (www.safefeds.gov)