

# Products comparison

	<i>Health Savings Account (HSA)</i>	<i>Health Reimbursement Arrangement (HRA)</i>	<i>Flexible Spending Account (FSA) - Medical</i>												
<b>What is it?</b>	<p>A health savings account (HSA) is a tax-advantaged savings account, paired with a qualifying health insurance plan, and can be used to pay for qualifying medical expenses.</p> <p><b>To make contributions to an HSA, an employee:</b></p> <ul style="list-style-type: none"> <li>▪ Must be enrolled in an HSA-qualified health plan</li> <li>▪ Must not be covered by another health plan</li> <li>▪ Is not listed as a dependent on someone else's taxes</li> <li>▪ Is not enrolled in Medicare</li> </ul> <p>Employers can opt to make tax-free contributions to eligible employees' HSAs.</p>	<p>A health reimbursement arrangement (HRA) is a medical spending account, paired with an eligible health plan, that is entirely funded by an employer and can be used to reimburse employees for their eligible expenses.</p> <p>Spouses and dependents are also eligible to have medical expenses reimbursed if covered under the same health plan.</p>	<p>A flexible spending account (FSA) allows employees to set aside a portion of their salary pretax to pay for medical costs not paid for by their health plan.</p>												
<b>Who is eligible?</b>	Employees must have an HSA-qualified health plan in order to be eligible.	All employees covered by the health plan are eligible. Owner eligibility is dependent on the corporate structure.	All employees (not self-employed) are eligible for a FSA.												
<b>Who can contribute?</b>	Employers, employees, or third party representatives can contribute to an HSA.	Only employers can contribute to an HRA.	Both employees and employers can contribute to an FSA.												
<b>What's the maximum contribution?</b>	<table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td>\$3,500</td> <td>\$3,600</td> </tr> <tr> <td>Family</td> <td>\$7,100</td> <td>\$7,200</td> </tr> <tr> <td>Catch up</td> <td>\$1,000</td> <td>\$1,000</td> </tr> </tbody> </table>		2020	2021	Single	\$3,500	\$3,600	Family	\$7,100	\$7,200	Catch up	\$1,000	\$1,000	There is no maximum contribution limit.	The maximum contribution for an FSA is determined by the employer, and is capped at \$2,750 per employee (2020).
	2020	2021													
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Is it tax-advantaged?	<p><b>Yes</b></p> <ul style="list-style-type: none"> <li>▪ Tax-free contributions</li> <li>▪ Tax-free interest</li> <li>▪ Tax-free withdrawals for eligible expenses</li> </ul>	<p><b>Yes</b></p> <ul style="list-style-type: none"> <li>▪ Tax-free withdrawals for eligible expenses</li> </ul>	<p><b>Yes</b></p> <ul style="list-style-type: none"> <li>▪ Pretax contributions</li> <li>▪ Tax-free withdrawals for eligible expenses</li> </ul>
What is eligible/ineligible?	<p><b>Eligible:</b></p> <ul style="list-style-type: none"> <li>▪ Out-of-pocket expenses until deductible is reached</li> <li>▪ Copayments, coinsurance and prescription drugs</li> <li>▪ Medicare and COBRA premiums</li> <li>▪ Long-term care premiums</li> <li>▪ Dental and vision care expenses not covered by the health plan</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>▪ Health insurance monthly premiums</li> <li>▪ Expenses that aren't related to medical treatment or care as defined by the IRS</li> </ul> <p><b>Remember:</b> HSA funds can only be used to reimburse expenses for the account holder and/or their dependents on the health plan.</p>	<p><b>Eligible:</b></p> <p>The HRA typically covers the same expenses that the health plan covers, including:</p> <ul style="list-style-type: none"> <li>▪ In-network doctor visits</li> <li>▪ Inpatient or outpatient hospital care</li> <li>▪ Diagnostic exams</li> <li>▪ Prescription medications</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>▪ Expenses that aren't related to medical treatment or care as defined by the IRS</li> </ul> <p><b>Remember:</b> HRA funds can only be used to reimburse expenses for the account holder and/or their dependents on the health plan.</p>	<p><b>Eligible:</b></p> <ul style="list-style-type: none"> <li>▪ Out-of-pocket expenses until deductible is reached</li> <li>▪ Copayments, coinsurance and prescription drugs</li> <li>▪ Long-term care premiums</li> <li>▪ Dental and vision care expenses not covered by the health plan</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>▪ Health insurance monthly premiums</li> <li>▪ Expenses that aren't related to medical treatment or care as defined by the IRS</li> </ul> <p><b>Remember:</b> FSA funds can only be used to reimburse expenses for the account holder and/or their dependents on the health plan.</p>
What about keeping receipts?	<p>It's important to save all your receipts and Summary of Health Plan Payments (SHPP) statements to validate expenses, as required by the IRS.</p>	<p>It's important to save all your receipts and Summary of Health Plan Payments (SHPP) statements to validate expenses, as required by the IRS.</p>	<p>It's important to save all your receipts and Summary of Health Plan Payments (SHPP) statements to validate expenses, as required by the IRS.</p>
What happens to unused funds at the end of the year?	<p>An HSA belongs to the employee indefinitely. Any funds remaining at the end of the year will roll over to the next year.</p>	<p>Employers make the determination if remaining funds will roll over to the following plan year, along with any limitations that are placed on the rollover amounts.</p>	<p>Employers make the determination if remaining funds will roll over to the following plan year, along with any limitations on the rollover amounts.</p>

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<b>What other accounts can you pair with?</b>	This account may be paired with an FSA or limited HRA, which can be used on amounts over the deductible or toward dental/vision expenses.	This account may be paired with an FSA and HSA.	This account may be paired with an HRA and HSA.
<b>What happens if there are changes to the account?</b>	HSAs are portable, allowing employees to keep all funds, even if they change jobs or retire.	Funds in an HRA cannot be maintained by the employee if they change jobs or retire.	Funds in an FSA cannot be maintained by the employee if they change jobs or retire.
<b>What about investing?</b>	Members can invest a portion of their HSA into a variety of investment options. When the member's account balance exceeds \$1,000, they have the option to activate a Basic Investment Account.	Investing is not available.	Investing is not available.

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