

HSA vs. Healthcare FSA

What's the difference between these tax-advantaged accounts?

Each of these plans offers valuable tax savings, but in different ways. For starters, you should know that you have to be enrolled in the UnitedHealthcare High Deductible Health Plan (HDHP) to participate in the Health Savings Account (HSA). You are not eligible to participate in the Healthcare Flexible Spending Account (FSA) if you are enrolled in the High Deductible Health Plan. However, you may still participate in the Dependent Care FSA.

Benefits	**Health Savings Account (HSA)**	**Flexible Spending Account (FSA)**
I can spend funds on healthcare for myself and my family	✓	✓
Contributions & withdrawals are not federally taxed	✓	✓
Spending requirement	None—money stays in your account until you need it.	You forfeit any funds that you don't spend by 03/15/2027.
I keep the funds if I leave the company	✓	You may enroll in COBRA to use remaining account balance.
Funds in my account can earn investment income	✓	×
Maximum allowed contribution in 2026	$4,400 Individual $8,750 Family ($1,000 more at age 55+)	$3,400
When are funds available?	You can spend funds only after they have accumulated in the account.	You can withdraw funds immediately, up to the amount you elected to contribute for the year.

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