



Key differences between HSA & FSA



HSA

Think of an HSA like a 401(k) for healthcare. An HSA can be used to pay for healthcare costs today and for years to come.



FSA

An employer-provided spending account. Yearly pre-tax funds set aside for eligible healthcare expenses.

Eligibility

Must be enrolled in an HSA-eligible **High-Deductible Health Plan** or an Affordable Care Act exchange **Bronze or Catastrophic Plan**.

Available only for employees. Not self-employed individuals. Employer health plan enrollment is not required.

Ownership

Owned by the **account holder**.

Owned by the **employer**.

Contribution Selection

Change your contribution amount **anytime** during the year.

Set annually. Can only change after a Qualifying Life Event.

Funded By

Anyone can fund an HSA (employers included).

Employer and/or employee-funded.

Contribution Limit

Individual: \$4,400
Family: \$8,750
Age 55+ catch up: \$1,000

General Purpose: \$3,400	Dependent Care: \$7,500 <small>(single or married couples filing jointly)</small>
Limited Purpose: \$3,400	Dependent Care: \$3,750 <small>(married couples filing separately)</small>

Tax Advantages

Triple Tax Advantages: Tax-free contributions, distributions, and growth.

Contributions and withdrawals for qualified expenses are tax-free.

Covered Expenses

IRS-qualified **medical, vision, and dental expenses**. For the account holder and tax-dependents.

IRS-qualified **medical, vision, dental, and care expenses**. Varies by type of FSA. For the account holder and tax-dependents.

Funds Availability

As funds are deposited.

Funds are fully available on the **first day of the plan year**. (For Dependent Care, funds are deposited each pay cycle.)

Portability

HSAs are owned by the **individual**. Funds are yours for life and never expire.

Forfeited if you change or lose your job. The employer keeps the remaining balance.

Carryover or Grace Period

Yes. HSA funds carry over and **never** expire.

If allowed by the employer. Carryover of up to \$680 (in 2026) or 2.5 months grace period.

Investment Capability

Yes — Interest and earnings grow tax-free.

No investment option.