

Health Savings Account, Flexible Spending Account, & Health Reimbursement Arrangement Comparison Chart

	Health Savings Accounts (HSA)	Health Reimbursement Arrangements (HRA)	Flexible Spending Accounts (FSA)
Overview			
Description	A member-owned, tax-exempt medical savings account to be utilized with a high-deductible health plan (HDHP).	An arrangement where employer funds are used to reimburse employees for eligible medical expenses.	An account set up with pre-tax funds to cover healthcare and dependent care costs not covered under the benefit plan.
Eligibility	Employees, retirees, or self-employed individuals who are covered under an HDHP.	Current and former employees, spouses and dependents, and owners and officers of a C Corporation.	Employees and retirees
Ownership	Employee	Employer	Employer
High Deductible Health Plan (HDHP) Requirements	In 2022, an annual deductible of at least \$1,400 for an individual, \$2,800 for family coverage. For family coverage, the deductible must be a family aggregate, meaning there is no embedded individual deductible for those with family coverage. The maximum annual out-of-pocket expense for HDHP self-only coverage is \$7,050 and \$14,100 for family coverage.	None, but plan design may require participation in an HDHP.	None. Can be used with any health plan design.
Tax Treatment	Employee contributions are tax-deductible. Interest earned on the account is tax-free, as are distributions, provided that funds are spent on healthcare expenses as defined under 213(d) of Internal Revenue Code.	Not applicable. Employer-sponsored.	Employee contributions are tax-free. Reimbursements are only allowed for eligible medical and dependent care expenses.
Integration with other accounts	Most HRAs or FSAs cannot be integrated with HSAs except under limited circumstances.	An HRA can be purchased with an FSA, but not an HSA, except under limited circumstances.	An FSA can be purchased with an HRA, but not an HSA, except under limited circumstances.

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Funding			
Annual Contribution Maximum	In 2022, up to \$3,650 per individual and \$7,300 per family, or the deductible, whichever is applicable.	No restrictions. The employer determines minimum and maximum amounts.	\$2,750 limit in 2021.
Fund Contributions	Employee, employer, or anyone on behalf of the account owner.	Employer	Employee typically, but employer can make contributions
Funding Requirements	Must be funded in a trust or custodial account. Money is deposited directly into the account by the employee.	Does not need to be prefunded. Reimbursements are typically made from an employer's general assets.	Set amount of pre-tax wages, designated by the employee, is deposited directly into an account.
Amount Available on the First Day of Coverage	Amount contributed to date.	Employer defines how funds are made available.	Annual amount of contribution available day one of plan year, regardless of the amount contributed.
Expenses			
Qualified Expenses	Expenses defined under IRC 213(d) including long-term care. Premiums for (1) Medicare, (2) COBRA, (3) long-term care, and (4) healthcare while receiving unemployment compensation are qualified. Health insurance premiums are not eligible expenses.	Expenses defined under IRC 213(d) including premiums for health and long-term care insurance. Cannot be used to reimburse expenses for long-term care services.	Expenses defined under IRC 213(d) are qualified. Health insurance premiums and long-term care expenses are not eligible.
Expense Substantiation	Employee is required to substantiate the expense, its amount and eligibility.	IRS regulations require that claim be substantiated in writing by a third party.	IRS regulations require that claim be substantiated in writing by a third party.