



# Personal Spending Account Options

	Health Savings Account (HSA)	Health Reimbursement Arrangement (HRA)	Flexible Spending Account (FSA)
Who is eligible for this account?	An individual who is covered by a qualified high-deductible plan, as defined by the IRS.	An employee that meets the eligibility criteria established by the employer offering the HRA.  (Not available to partners in a partnership or shareholders who own more than 2% stock in a Sub S corporation or LLC.)	An employee whose employer offers a plan with an FSA.  (Not available to partners in a partnership or shareholders who own more than 2% stock in a Sub S corporation or LLC.)
Which plans are eligible?	Must be paired with an HSA-qualified health plan that includes required 2010 U.S. Treasury Department minimum deductibles of: <ul style="list-style-type: none"> <li>• \$1,200 (individual)</li> <li>• \$2,400 (family)</li> </ul> And 2010 maximum out-of-pocket costs of: <ul style="list-style-type: none"> <li>• \$5,950 (individual)</li> <li>• \$11,900 (family)</li> </ul>	HRAs are generally paired with deductible-based plans when offered through Blue Cross Blue Shield of Massachusetts; however, there are no regulatory plan design restrictions.	FSA's can be offered with any medical plan and can be offered to employees who do not sign up for health coverage. When offered with an HSA, there are limits on the types of FSA's available.
Who can contribute to the account?	Employee and/or employer	Employer	Employee and/or employer
What is the tax treatment of contributions?	Employer contributions are tax-deductible and not subject to employment taxes. Employee contributions are tax deductible.	Employer contributions are tax-deductible and generally not subject to employment taxes.	Employer and employee contributions are tax-deductible and generally not subject to employment taxes.

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Who owns the account?	Employee	Employer	Employer and employee
What are the maximum contribution limits?	In 2010: <ul style="list-style-type: none"> <li>• \$3,050 (individual)</li> <li>• \$6,150 (family)</li> </ul> Participants who are 55 or older can contribute an additional \$1,000 in 2010.	The employer sets contribution limits.	The employer sets contribution limits, subject to plan document and non-discrimination requirements.
Can the money be invested?	Yes	No	No
Do funds roll over from year to year?	Yes, participants can build up funds in the account over their lifetime.	Funds may carry forward, subject to restrictions and limits set by the employer.	No, participants forfeit unused funds at the end of the year. Employers may also opt to offer a grace period following the plan year.
Are the funds portable?	Yes, funds belong to the participant.	No, the employer sets the rules for post-employment access to the account.	No, the employer sets the rules for post-employment access to the account.

