

Financial 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 Internal Revenue Service (IRS).	An employee who 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?	An HSA must be paired with an HSA-qualified health plan that includes the required IRS minimum deductibles of: For 2019: <ul style="list-style-type: none"> • \$1,350 (individual) • \$2,700 (family) And the maximum out-of-pocket costs of: For 2019: <ul style="list-style-type: none"> • \$6,750 (individual) • \$13,500 (family) 	HRAs are generally paired with high-deductible health plans when offered through Blue Cross Blue Shield of Massachusetts; however, employers have considerable flexibility in plan design.	FSA's can be offered with any medical plan and can be offered to employees who don't 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. Employers must include the value of contributions to HSAs on the employee's Form W-2.	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. Employers must include the value of salary-deduction contributions to FSA's on the employee's Form W-2.

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Who owns the account?	Employee	Employer	Employer and employee
What are the maximum contribution limits?	For 2019: <ul style="list-style-type: none"> • \$3,500 (individual) • \$7,000 (family) Participants who are 55 or older can contribute an additional \$1,000 annually.	The employer sets contribution limits.	The employer sets contribution limits up to the IRS maximum of \$2,700 per plan year. If the employer contributes funds to the FSA, the employer's contributions don't count toward the \$2,700 maximum.
What can the money be used for?	You may use the HSA to reimburse qualified medical expenses such as deductibles, copayments, and prescription drugs, as defined by the Internal Revenue Code, Section 213(d). The additional taxes on distributions from an HSA that aren't used for qualified medical expenses is 20%.	The employer determines which qualified medical expenses may be reimbursed.	You may use the FSA to reimburse qualified medical expenses such as deductibles, copayments, and prescription drugs, as defined by the Internal Revenue Code, Section 213(d).
Can the money be invested?	Yes	No	No
Do funds roll over from year to year?	Yes	Funds may carry forward, subject to restrictions and limits set by the employer.	Employers may allow for a rollover of up to \$500 into the following plan year, or for a grace period after the end of the plan year during which expenses may incur. These details are set by the employer.
Are the funds portable?	Yes, funds belong to the participant.	Generally, 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.

