

Open Enrollment is Here: Get the Scoop on FSAs and HSAs



A flexible spending account (FSA) is an employer provided healthcare plan option that allows you to save funds for eligible healthcare expenses.

A health savings account (HSA) is a tax-advantaged savings account that lets you set aside money to cover expected and unexpected medical expenses throughout your lifetime.



Contribution Amounts Set by the IRS

FSA

Maximum annual contribution
\$2,550
Individual

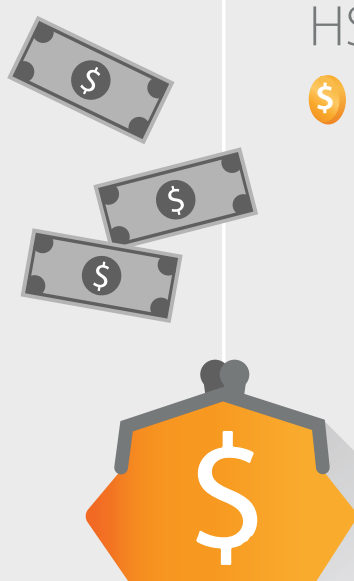
HSA

Maximum annual contribution
\$3,400
Individual
\$6,750
Family

Advantages

FSA

- Pre-tax salary reduction helps pave the way to really stretch hard-earned dollars¹
- Many employers now offer carryover so you don't have to "use it or lose it"



HSA

- HSAs are triple-tax advantaged contributions²
 - Pre-tax for federal tax purposes
 - Interest earned (if HSA program allows funds to be invested) is tax-free
 - Money is not taxed when withdrawn to pay for qualifying 213d eligible healthcare expenses

Use of Funds

FSA

Use a Visa debit card to access FSA funds to pay for eligible healthcare expenses including:

- Copays/deductibles
- Prescriptions
- Dentist: cleanings, orthodontia, dentures
- Exams: physicals, dermatologist
- Vision care: exams, new glasses, LASIK
- Medical equipment: blood pressure monitor, thermometers
- Chiropractor or acupuncturist
- Hearing exams and aids
- Smoking cessation programs

HSA

HSA funds can be securely accessed on a Visa debit card and used to pay for medical expenses now or you can continue to contribute and save the money for later – either to cover an unexpected or expected large medical expense, or save for retirement³.



¹ Maximum contribution for 2016 is \$2,550. As of September 27, 2016, IRS has not announced the contribution limit for 2017. <https://www.irs.gov/uac/newsroom/plan-now-to-use-health-flexible-spending-arrangements-in-2016-contribute-up-to-2550-500-carryover-option-available-to-many>

² Contributions can be made by the individual and/or the employer and maximum contributions for 2017 are \$3,400/individual or \$6,750/family. Catch-up contribution of \$1,000 per year is allowed for account holders aged 55 and older. <https://www.irs.gov/pub/irs-drop/rp-16-28.pdf>

³ Prior to age 65, HSA funds can be used for non-healthcare related purchases with a 20% penalty plus taxes. After age 65, HSA funds used for non-healthcare related purchases are penalty free and only incur taxes.