

Flexible Spending Account vs Health Reimbursement Arrangement vs Health Savings Account



Use this chart to help decide which account, if any of them, will best help you meet your health care needs and goals.

	Flexible Spending Account (FSA)	Health Reimbursement Arrangement (HRA)	Health Savings Account (HSA)
Account Overview	Members can set-aside pre-tax money to pay for eligible medical expenses. FSA funds expire at the end of the plan year or the last day of the month of termination. Funds are considered “use it or lose it”. FSAs are generally paired with traditional health plans.	An employer-owned and employer funded account designed to help bridge the gap on eligible health care expenses. HRA funds can be used towards medical, prescription, and behavioral health costs. Funds do not go with the member if they leave employer or policy. Funds do roll over plan year to plan year.	Members can set-aside money pre-tax, not through payroll deductions, to pay for qualified medical expenses. HSAs require an HSA-qualified health plan in order to contribute. HSA funds can be invested and grow tax-free earnings. Funds never expire—even if the member changes health plans, employers, or retires.
Who owns the account?	Employer	Employer	You
Does it require a high deductible health plan? (Meets IRS regulation)	No	No	Yes
Who can contribute?	Employee only	Employer only	Employee only
What are the contribution limits?	2022: \$2,850	N/A Employer dependent	2022: Single: \$3,650 Family: \$7,300
Is the account a payroll deduction?	Yes	N/A	No- member must set up the way the funds will go from their account to the financial institution of their choosing
Can funds be invested?	No	No	Yes
Does the account need to be reported on taxes?	No	No	Yes
Do funds expire?	Yes- end of plan year OR last day of the month employee terminates	Yes- 1 year after leaving the plan if employee does not re-enroll	No
When can changes be made?	Open enrollment or certain qualifying mid-year events	N/A	Anytime
Do unused funds carry over?	No	Yes	Yes
Is the account portable?	ONLY if transferring between state agencies	ONLY if transferring between state agencies	Yes
Who administers the account?	PayFlex	Connected to COVA HealthAware policy administered by Aetna	Financial institution of the members choosing