

How do HSAs compare to FSAs?

	Health Savings Accounts (HSAs)	Flexible Spending Accounts (FSAs)
Account definitions.	A tax-advantaged account used to pay for qualified medical expenses of the account holder, spouse, and/or dependents.	An employer-established, tax-advantaged account funded by the employee to pay for qualified medical expenses with pre-tax dollars.
Who can open the account?	The employee or employer as long as the employee is enrolled in an HSA-eligible health plan.	The employer.
Who can contribute?	Employers, employee/account holder, or any third party.	The employee.
Who owns the account?	The employee/account holder.	The employee, but all account balances revert back to the employer at the end of the plan year.
Is there an annual contribution limit?	In 2016, the annual contribution limits are \$3,350 for individuals and \$6,750 for families.	In 2016, the annual contribution limit is \$2,550 for individuals (a couple can have two \$2,550 elections).
Can I use my entire annual election on day one of my plan?	No. You can only access funds that have already been deposited into your account.	Yes, you may use up to your annual election amount regardless of whether or not the funds have been deposited.
Do unused funds carry over to the next year?	Yes.	No.
Can you take the account funds with you if you change jobs, change health plans, or retire?	Yes.	No.
Can you use the account for retirement income?	Yes, after age 65, you can withdraw funds for any reason with no penalty. Although, if not used for qualified medical expenses, withdrawals will be taxed as income.	No.

Is the account tax advantaged?	Yes, account holders contribute tax-free, any interest or investment gains are tax-free, and when used for qualified expense, you withdrawals are always tax free.	Yes, employees' contributions are made through pre-tax payroll deductions.
Can the account earn interest?	Yes, and after the account balance reaches a minimum balance requirement (typically \$1,000 to \$2,000), you can invest in investment funds and any gains are also tax-free.	No.
Will the account reduce health insurance premiums?	Yes, for both the account holder and the employer, if applicable.	No.
Can the account reduce the out-of-pocket health care expenses of the account holder?	Yes.	Yes.