

# Employer Cheat Sheet for HSAs, HRAs and FSAs



Provided by Cowden Associates, Inc.

Employers are increasingly looking to consumer driven health plans to help soften the blow of continually rising health care costs. Depending on the model, consumer driven health plans typically include health savings accounts (HSAs), health reimbursement arrangements (HRAs) and flexible spending accounts (FSAs). This infographic provides a quick and easy comparison of tax-advantaged health care accounts.

	HSA	HRA	FSA
<b>Who owns the account?</b>	Employee	Employer	Employer
<b>Who may fund the account?</b>	Anyone can make contributions to an individual's HSA, including employer and employee.	Employer	Employer and/or employee
<b>What plans must be offered with the account?</b>	A high deductible health plan (HDHP) that satisfies minimum annual deductible and maximum annual out-of-pocket expense requirements.	An employer must offer a health plan, and the HRA must be considered integrated with group health plan coverage.	Most health FSAs must qualify as excepted benefits to satisfy ACA reforms. To qualify as an excepted benefit, the FSA must meet a maximum benefit requirement and other group health plan coverage must be offered by the employer.
<b>Is there an annual contribution limit?</b>	\$3,850 Individual, \$7,750 Family (2023) \$3,650 Individual, \$7,300 Family (2022)  Catch-up contributions for those age 55 by the end of the tax year: \$1,000/year	No, there is no IRS-prescribed limit.	For plan years beginning in 2023, employees may not elect to contribute more than \$3,050 (\$2,850 for plan years beginning in 2022).
<b>Can unused funds be rolled over from year to year?</b>	Yes	Yes	No, with two exceptions: A health FSA may include a grace period of 2.5 months after the end of the plan year, or it may allow employees to carry over up to \$500 (as adjusted for inflation) in unused funds into the next plan year.
<b>What expenses are eligible for reimbursement?</b>	Section 213(d) medical expenses, including: <ul style="list-style-type: none"> <li>• COBRA premiums</li> <li>• QLTC premiums</li> <li>• Health premiums while receiving unemployment benefits</li> <li>• If Medicare-eligible due to age, health insurance premiums, except for medical supplement policies</li> </ul>	Section 213(d) medical expenses.  Cannot reimburse health insurance premiums for individual coverage.  Employer can define "eligible medical expenses".	Section 213(d) medical expenses.  Expenses for insurance premiums are not reimbursable.  Employer can define "eligible medical expenses."
<b>Must claims be substantiated?</b>	No	Yes	Yes
<b>May the account reimburse nonmedical expenses?</b>	Yes, but taxed as income and 20% penalty (no penalty if distributed after death, disability or age 65)	No	No
<b>Does the uniform coverage rule apply?</b>	No	No	Yes