

# Medical Savings Comparison Chart

	Health Savings Account (HSA)	Flexible Spending Account (FSA)
<b>Eligibility</b>	Must be enrolled in a high deductible health plan (HDHP), do not have secondary non-HDHP coverage, not enrolled in Medicare, or are not claimed as a dependent on someone else's tax return. <b>Note: participation in a health care FSA disqualifies a member from contributing to an HSA.</b>	Any full-time employee eligible for the benefits program. <b>Note: participation in an HSA, including company contributions, will prevent a member from participating in a health care FSA.</b>
<b>Annual Maximums</b>	Single: \$4,400 Family: \$8,750	Health Care: \$3,400
<b>Use It or Lose It</b>	No	Yes
<b>Tax Free</b>	Yes	Yes
<b>Portability</b>	Yes; may keep the account or rollover once per 12-month period.	No
<b>Company Contribution</b>	Yes, if enrolled in Choice medical plan. \$500 split into per-pay periods. (New hires eligible after January 1 <sup>st</sup> will receive a pro-rated amount.)	No
<b>Do Company Contribution Apply to Annual Savings Limit?</b>	Yes	Yes
<b>Optional Personal Contributions</b>	Yes; may begin anytime once HDHP plan is in effect.	Yes; but must enroll/re-enroll prior to effective date.
<b>Mid-Year Changes</b>	Yes	Only after a qualified life event.
<b>Account Draws Interest</b>	Yes, with the option to invest amounts over \$1,000.	No
<b>Availability of Funds</b>	Up to current account balance only.	Full annual pledge available on effective date.
<b>Withdrawals</b>	Pre-tax for qualified health care expenses; non-medical expenses are subject to taxes and 20% penalty. (Penalty is waived at age 65+.)	Pre-tax for qualified health care expenses only.
<b>Catch Up Amount for Age 55+</b>	\$1,000 per year	None
<b>Need to provide receipts/documentation?</b>	Not required but advised to keep records/transactions in case of a personal audit.	Yes, per IRS guidelines all FSA withdrawals must be substantiated.
<b>Use Funds to Pay for Insurance Premiums?</b>	Only COBRA, health premiums while unemployed, or long-term care insurance.	No
<b>Account After Death</b>	Transferred to assigned beneficiary. Spouse may keep account for medical expenses; others will receive a cash distribution after taxes are withheld.	Qualified expenses incurred prior to death may be submitted for reimbursement; remaining balance is forfeited.
<b>Additional Fees?</b>	\$5 debit card replacement fee \$1.50 per paper statement (electronic is free) \$25 account closure fee Investment fee 25 bps annual After termination of employment: \$3.50/mo.	\$5 debit card replacement fee \$1.50 per paper statement (electronic is free)