



FSA vs HSA

Flexible Spending Account

A Flexible Spending Account, or FSA, allows employees to set aside

pre-tax

money from their paychecks to pay for qualified medical expenses (not covered by an insurance policy) and/or dependent care expenses.

Health Savings Account

A Health Savings Account, or HSA, allows employees to set aside

pre-tax

money from their paychecks to pay for qualified medical expenses (not covered by an insurance policy).

WHAT IS IT?

Benefits Eligible Employees

WHO IS ELIGIBLE?

Employees Enrolled in High Deductible Health Plan

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IS THERE A LIMIT?

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Your annual election amount can be up to \$2,500 for the 2014-15 Plan Year (\$2,550 (2015-16 Plan Year) for Health FSA, \$5,000 Dependent Care FSA*

Your annual election amount can be up to \$3,350 if enrolled in Single medical coverage or \$6,650 if enrolled in Family medical coverage** HSA holders who are 55 and older can contribute an extra \$1,000 for a limit of \$4,350 or \$7,650

Source: IRS.gov - <http://www.irs.gov/uac/Newsroom/In-2015%2c-Various-Tax-Benefits-Increase-Due-to-Inflation-Adjustments>

*Source: IRS.gov - <http://www.irs.gov/pub/irs-drop/rp-14-30.pdf>

HOW CAN I ACCESS MY CONTRIBUTIONS?



You have access to your entire annual election amount of your Health FSA starting Day 1 of the plan year - even if all paycheck deductions haven't yet been made.

You only have access to the amount that has been deposited into your HSA to date.

Dependent Care FSA funds are only available as they are contributed.

If you have a large claim & not enough funds in your HSA to cover the cost, you must pay for the cost out-of-pocket, and you may reimburse yourself as more money is deposited into your HSA.

FSA

USE IT

HSA

OR

Maybe.

Lose It?

No.

Up to \$500 not used can be rolled over to the next plan year.

Any funds beyond \$500 not used by the end of the plan year will be forfeited.

Any unused funds in your HSA at the end of the plan year are yours to keep. These funds stay in your account indefinitely until you spend them.

SUBSTANTIATION

Your FSA provider (ARC) may ask you to verify that the monies spent were for eligible expenses.

Neither Berea College nor Park Community Credit Union "police" this account. It is still important to keep your receipts in the event of a personal IRS audit.

Save Your Receipts!

WHAT OPTIONS ARE THERE TO CHANGE MY CONTRIBUTIONS?

You can only change FSA election amounts during the plan year IF you experience certain qualifying events: marriage, divorce, birth of a child, etc.

Otherwise, you are "locked in" until the next enrollment.



HSA contributions can be changed at any time, as long as it does not exceed the IRS limits (\$3,350 or \$6,650).



WHAT EXPENSES ARE COVERED?



Both FSA and HSA contributions can be used to pay for qualified medical expenses not covered by a medical insurance plan.

For examples of qualified MEDICAL expenses, please see IRS Publication 502: <http://www.irs.gov/publications/p502/index.html>

For examples of qualified DEPENDENT CARE expenses, please see IRS Publication 503: <http://www.irs.gov/publications/p503/>

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