



# HSA vs FSA

Are you a smart spender or savvy saver?

Both HSAs and FSAs enable members to contribute pre-tax dollars to pay for qualified medical expenses. But there are some important differences you should be aware of.<sup>1</sup>

## HSA

Health Savings Account

### Be a savvy saver

An HSA is a member-owned account that enjoys a triple-tax advantage.<sup>2</sup> You can make pre-tax payroll contributions, grow tax-free earnings, and enjoy tax-free distribution to pay for qualified medical expenses. HSAs must be paired with an HSA-qualified health plan. You can keep HSA funds forever—even if you change employers or health plans.

## FSA

Flexible Spending Account

### Be a smart spender

An FSA similarly empowers members to set-aside pre-tax money to pay for qualified medical expenses. The difference is that unused FSA funds are eventually forfeited back your employer. However, some organizations offer a grace period or carryover option, enabling you to keep a certain portion of your account into the next plan year. FSAs are paired with traditional health plans.

	HSA	FSA
Health plan type	HSA-qualified	Traditional
Premiums	Lower	Higher
Deductibles	Higher	Lower
Do funds expire?	Never	Yes
2021 contribution limits	\$3,600 (individual coverage) \$7,200 (Family coverage)	\$2,750 (Individual only)

Questions? We're here for you 24/7  
 866.346.5800 | [HealthEquity.com/Learn](https://HealthEquity.com/Learn)

<sup>1</sup> HealthEquity does not provide legal, tax or financial advice. Always consult a professional when making life changing decisions

<sup>2</sup> HSAs are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.