

Health Savings Options Comparison Chart



⦿ Confused about the difference between an HSA and FSA?

Use the high-level chart below as a quick guide to compare MSAs, HSAs, HRAs and FSAs.

	Medical Savings Accounts (MSA) ¹	Health Savings Account (HSA)	Health Reimbursement Account (HRA)	Flexible Spending Account (FSA)
IRS Code	Sec. 106 and 220	Sec. 223	Sec. 105, 106, 125 and 213	Sec. 106 and 125
Eligibility	Self-employed and small company employees with high-deductible health plan ²	Eligible individuals ³ with high-deductible health plan (HDHP) ⁴	Current and former employees	Current employees
Income limits	No	No	No	No
Source of Contributions	Employer or employee - not both	Employer and/or individual on pre- or post-tax basis	Employer only	Pre-tax salary reductions
Limits on Contributions	Lesser of 65% of single deductible, 75% of family deductible	Maximum \$2,850 single; \$5,650 family for 2007	Any level	500% of the total equivalent premium for the benefit
Qualifying expenses	Sec. 213 medical expenses; long-term care and COBRA	Sec. 213 medical expenses; long-term care and COBRA, Medicare A, B or Medicare HMO	Sec. 213 medical expenses; long-term care and health benefits premium	Sec. 213 medical expenses
Expense Confirmation	Required, done at individual level	Required, done at individual level	Required, done at employer level	Required, done at employer level
Individual Owns	Yes	Yes	No	No
Portability	Yes	Yes	No	No
Yearly carryover	Yes	Yes	Yes - based on plan design	No - use it or lose it after 2 month grace period following end of plan year
Catch-up contributions	No	Yes, starting at age 55; \$800 in 2007	No	No
Out-of-pocket max. (includes deductible)	\$3,650 single; \$6,650 family for 2006	\$5,500 single; \$11,000 family for 2007	N/A	Set by plan document or salary reduction

This is intended for illustrative purposes only and does not constitute legal, tax or other benefit plan design advice.

¹ MSAs are currently authorized until December 31, 2005.

² For 2006, deductible of \$1,800 - \$2,700 single; \$3,650 - \$5,450 family.

³ May not be covered by another health plan; are not eligible to be claimed as a dependent on another's tax return; can contribute until entitled to Medicare.

⁴ Minimum deductible of \$1,100 single; \$2,200 family