

Comparison of Tax-Advantaged Accounts

	HSA	MSA	HRA	FSA
Name of account	Health Savings Account	Medical Savings Account	Health Reimbursement Arrangement	Health Flexible Spending Account
Who owns the account?	Individual/employee	Individual/employee	Employer	Individual/employee
Who may fund the account?	Employer or employee, can be both in the same year Employee can contribute pre-tax dollars through Section 125 plan	Employer or employee, but not both in the same year Must be small employer or self-employed individual	Employer*	Employer/employee* Typically the employee contributes pre-tax dollars through a Section 125 plan
What plans may be offered with the tax-advantaged account?	An HDHP as follows: <u>Min. Deductible</u> \$1,150 \$2,300 F** \$1,200 \$2,400 F*** <u>OPM</u> \$5,800 \$11,600 F** \$5,950 \$11,900 F***	An HDHP as follows: <u>Min. Deductible</u> \$2,000 \$4,000 F** <u>Max. Deductible</u> \$3,000 \$6,050 F** <u>OPM</u> \$4,000 \$7,350F**	Any or no health plan	Any or no health plan
Is there a limit on the amount that can be contributed per year?	\$3,000 \$5,950 F** \$3,050 \$6,150 F*** Catch-up contributions: \$1,000/year– age 55 by end of tax year Reduced by MSA contributions in same year	65% of individual deductible 75% of family deductible	No, there is no IRS prescribed limit	No, there is no IRS prescribed limit
Does the uniform coverage rule apply?	No	No	No	Yes

*Self-employed individuals, including partners, and more than 2% shareholders in a subchapter S-corporation **cannot** contribute.

For 2009 calendar years. *For 2010 calendar years.

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Can unused funds be rolled over from year to year?	Yes	Yes	Yes, subject to COBRA	No, but in some cases employee may elect COBRA through end of plan year
What expenses are eligible for reimbursement?	<p>Section 213(d) medical expenses</p> <ul style="list-style-type: none"> -COBRA premiums -QLTC premiums -Health premiums while receiving unemployment benefits -If Medicare eligible due to age, health insurance premiums except medical supplement policies 	<p>Section 213(d) medical expenses</p> <ul style="list-style-type: none"> -COBRA premiums -QLTC premiums -Health premiums while receiving unemployment benefits 	<p>Section 213(d) medical expenses</p> <p>Health insurance premiums for current employees, retirees, and qualified beneficiaries, and QLTC premiums</p> <p>Employer can define "eligible medical expenses"</p>	<p>Section 213(d) medical expenses</p> <p>Expenses for insurance premiums are not reimbursable</p> <p>Employer can define "eligible medical expenses"</p>
Must claims submitted for reimbursement be substantiated?	No; however, in the event of audit, the member should be prepared to substantiate to the IRS that the expense has been incurred, the amount of the expense, and its eligibility	Yes	Yes	Yes
May account reimburse non-medical expenses?	Yes, but taxed as income and 10% penalty (no penalty if distributed after death, disability, or eligible for Medicare)	Yes, but taxed as income and 15% penalty; no penalty if after age 65	No	No
Is interest earned on the tax-advantaged account?	Yes, accrues tax-free	Yes, accrues tax-free	Yes, paid to the employer	No