

# Comparison of **TAX-ADVANTAGED ACCOUNTS**

Provided by: Omega Benefit Strategies



	<b>HSA</b>	<b>HRA</b>	<b>QSEHRA</b>	<b>FSA</b>
<b>Type of account</b>	Health Savings Account	Health Reimbursement Arrangement	Qualified Small Employer HRA	Health Flexible Spending Account
<b>Who owns the account?</b>	Individual/employee	Employer	Employer	Employer
<b>Who may fund the account?</b>	Anyone can make contributions to an individual's HSA, including employer and/or employee.	Employer	Employer	Employer and/or employee
<b>What plans must be offered with the account?</b>	A high deductible health plan (HDHP) that satisfies minimum annual deductible and maximum annual out-of-pocket expense requirements.	An employer must offer a health plan and the HRA must be considered integrated with group health plan coverage. Stand-alone HRAs are not permitted unless they are limited to excepted benefits or fall under an exemption to the ACA.	Employer cannot offer any group health plan.	Most Health FSAs must qualify as excepted benefits to satisfy ACA reforms. To qualify as an excepted benefit, the FSA must meet a maximum benefit requirement and other group health plan coverage must be offered by the employer.
<b>Is there an annual contribution limit?</b>	\$3,450 Ind. \$6,900 Family (2018) \$3,500 Ind. \$7,000 Family (2019) Catch-up contributions: \$1,000/year— age 55 by end of tax year	No, there is no IRS prescribed limit	For 2018, the maximum benefit cannot exceed \$5,050 (or \$10,250 for QSEHRAs that also reimburse medical expenses of the employee's family members).	For 2018, employees may not elect to contribute more than \$2,650 per year.

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	HSA	HRA	QSEHRA	FSA
<b>Can unused funds be rolled over from year to year?</b>	Yes	Yes	<i>Yes (but see maximum benefit limit above)</i>	No, with two exceptions. A health FSA may include a grace period of 2-1/2 months after end of plan year or it may allow employees to carry over up to \$500 in unused funds into the next plan year.
<b>What expenses are eligible for reimbursement?</b>	Section 213(d) medical expenses, including: -COBRA premiums -QLTC premiums -Health premiums while receiving unemployment benefits -If Medicare eligible due to age, health insurance premiums except medical supplement policies	Section 213(d) medical expenses Effective for 2014 plan years, cannot reimburse health insurance premiums for individual coverage. Employer can define “eligible medical expenses”	Section 213(d) medical expenses, after the employee provides proof of coverage. This would include, for example, premiums for individual health insurance coverage and other out-of-pocket medical expenses. Employer can define “eligible medical expenses”	Section 213(d) medical expenses Expenses for insurance premiums are not reimbursable. Employer can define “eligible medical expenses”
<b>Must claims be substantiated?</b>	No	Yes	Yes	Yes
<b>May the account reimburse non-medical expenses?</b>	Yes, but taxed as income and 20% penalty (no penalty if distributed after death, disability, or age 65)	No	No	No
<b>Does the uniform coverage rule apply?</b>	No	No	No	Yes