

# HEALTH FUNDING ACCOUNTS

	FLEXIBLE SPENDING ACCOUNTS (FSAs)	HEALTH SAVINGS ACCOUNTS (HSAs)	HEALTH REIMBURSEMENT ARRANGEMENTS (HRAs)
Eligibility	All employees excluding those that are self-employed	Individuals covered under a high-deductible health plan (HDHP)	All employees
Source of Contributions	Employee, employer, or both	Employee, employer, or both	The employer
Contribution Limits	For Healthcare FSA, IRS has set contribution limit of \$2,550 for 2015. For Dependent Care FSA, the limit is \$5,000.	For 2015, \$3,350 for self-coverage and \$6,650 for family coverage. An additional \$1,000 contribution for those ages 55 and over.	No limit
Taxation of Contributions	Employer contributions are usually excluded from employee's gross income.	Employee contributions are tax-deductible and employer contributions are excluded from employee's gross income.	Employee contributions are not subject to federal, Social Security, and in most cases, state taxes. Employers are not subject to FICA taxes on contributions.
Withdrawals	Not allowed for non-medical expenses	Any withdrawals made for non-medical expenses are subject to 10% penalty unless individual is age 65 or over, disabled, or passed away.	Not allowed for non-medical expenses
Portability	No	Yes	At employer's discretion, it may be able to roll over to a Retirement Reimbursement Arrangement (RRA) Account
Carryover to Next Year	No, unused balances are forfeited.	Yes, funds are owned by the account holder and any unused balances at account holder's death can be passed on to surviving spouse.	At employer's discretion.

*This material is for informational purposes only. The information expressed in this document is as of the date of its publication and is subject to change. Please contact your financial advisor regarding the application of these issues to your business and individual circumstances.*

