

NATIONAL BENEFIT SERVICES, LLC

Customer Care • Knowledge and Expertise • Organizational Excellence

HSA – HRA – FSA COMPARISON CHART 2010

	Health Savings Account (HSA) (IRC Sec. 223)	Health Reimbursement Account (HRA) (IRC Sec. 105(h))	Flexible Savings Account (FSA) (IRC Sec. 125)
Description	Approved by Congress in 2003, HSAs are actual bank accounts in employees' names that allow employees to save and pay for unreimbursed qualified medical expenses tax-free.	Provides more control for the employer who may set the contribution level, determine services to be covered, and retain control over unused funds.	Allows employees to pay out-of-pocket expenses for copays, deductibles and of services not covered by medical plan, tax-free. The only option that allows employees to pay for qualifying dependent care tax-free.
Employer Eligibility	Employer with a qualified high deductible health plan.	All employers	All employers
Contribution Source	Employee and/or employer	Employer only	Employee and/or employer
Account Owner	Individual	Employer	Individual
Underlying Insurance Requirement	High deductible health plan	None	None
Minimum Deductible	2011 and 2012 \$1,200 (Single) \$2,400 (Family)	No limits	N/A
Maximum Out-of-pocket	2011 \$5,950 (Single) \$11,900 (Family) 2012 \$6,050 (Single) \$12,100 (Family)	N/A	N/A
Maximum Contribution	2011 \$3,050 (Single) \$6,150 (Family) 2012 \$3,100 (Single) \$6,250 (Family)	Typically set by employer	Typically set by employer
Permissible Use Of Funds	Employees may use funds any way they wish. If used for non-qualified medical expenses, subject to current tax rate plus 10% penalty.	Reimbursement for qualified medical expenses selected by Employer (as defined in Sec. 213(d) of IRC)	Reimbursement for qualified medical expenses (as defined in Sec. 213(d) of IRC).
Cash-Outs of Unused Amounts (if no medical expenses)	Permitted, but subject to current tax rate plus 10% penalty (penalty waived after age 65).	Not permitted	Not permitted
Year-to-year rollover of account balance?	Yes, may roll over to use for subsequent year's health coverage.	Limited (Taxable beyond a defined amount.)	No. Use it or lose it.
Does the account earn interest?	Yes	No	No
Portable?	Yes, portable year-to-year and between jobs.	Limited: Former employee may have access at employer's discretion.	No
Rollover of Unused Dollars	Yes	Determined by Employer	No. Employer may elect up to a 2 ½ month grace period.
COBRA Eligible	No	Yes	Yes, in limited circumstances.
NBS, LLC Administration	Yes	Yes	Yes