

HSA vs. FSA vs. HRA healthcare account comparison

Health Savings Accounts (HSAs), Healthcare Flexible Spending Accounts (FSAs), and Health Reimbursement Arrangements (HRAs) each let members use tax-advantaged dollars to pay for qualified medical expenses. But there are some important differences to keep in mind.

Which one will benefit me the most?

Side-by-side comparison

[Health Savings Accounts](#) (HSAs), [Healthcare Flexible Spending Accounts](#) (FSAs), and [Health Reimbursement Arrangements](#) (HRAs) each let members use tax-free dollars to pay for qualified medical expenses. But there are some important differences to keep in mind.

	HSA Health Savings Account	FSA Flexible Spending Account	HRA Health Reimbursement Arrangement
Account overview	An HSA lets you use pre-tax money to pay for qualified medical expenses. ¹ HSAs require an HSA-qualified health plan in order to contribute. You can invest ² HSA dollars and grow tax-free earnings.	A Healthcare FSA similarly empowers members to set-aside pre-tax money to pay for eligible medical expenses. ³ The difference is that members do not keep their unused FSA money and funds may be	An HRA is an employer-owned and -employer-funded account designed to help members bridge the gap on eligible healthcare expenses. HRAs are highly customizable and a great way for organizations to

	Funds never expire—even if you change health plans, employers, or retire.	forfeited back your employer. FSAs are generally paired with traditional health plans.	offset rising costs. Common eligible expenses include deductibles, coinsurance and copays. ⁴
Health plan type	HSA-qualified/High-deductible health plan	Traditional health plan	Either HSA-qualified or traditional health plan (integrated with an ACA-compliant health plan)
Account ownership	Member-owned (take your HSA with you)	Employer-owned (no portability)	Employer-owned (no portability)
Who contributes?	Member, employer or family ²	Member, employer	Employer only
Tax-deductible contributions	Yes – State, federal and FICA tax deductible for employers and members ¹	Yes – State, federal and FICA tax deductible for employers and members ³	Yes – State, federal and FICA tax deductible for employers
Adjust contribution amount?	Anytime	Only during annual enrollment (or with qualifying life event)	Employer chooses at beginning of plan year
Tax-free distribution	Yes ¹	Yes	Yes
Debit card	Yes, availability varies by plan	Yes, availability varies by plan	Yes, availability varies by plan
Can members invest?	Yes ²	No	No
Tax-free earnings	Yes	No	No
Long-term savings	Yes	No	No

Do funds expire?	Never	Yes	Yes
Account carryover	Yes—even if you change health plans, employers, or retire	Varies by plan—some FSAs offer grace periods or limited carryover (up to \$610 for 2023)	No
Contribution limits	2024 \$4,150 (Individual coverage) \$8,300 (Family coverage) View all HSA limits and guidelines	2024 \$3,200 (Individual or family coverage.)	2024 Varies by plan type
Account compatibility	LPFSA, DCFSA, HRA	LPFSA, DCFSA, HRA	FSA, HSA ⁶ , LPFSA, DCFSA
How do I enroll?	You can enroll in an HSA-qualified health plan and sign up for an HSA during your organization's annual enrollment. If you have a high-deductible health plan on your own—not offered through an employer—you can sign up for an HSA right now.	You can enroll in a health plan and sign up for an FSA during your organization's annual enrollment period.	You can enroll in a health plan and sign up for an HRA during your organization's annual enrollment period. Some plans feature automatic enrollment. Consult your annual enrollment materials to learn how to enroll.

¹HSA's are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize HSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

²Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investing may not be suitable for everyone and before making any investments, review the fund's prospectus.

³FSA's are never taxed at a federal income tax level when used appropriately for qualified medical expenses. Also, most states recognize FSA funds as tax deductible with very few exceptions. Please consult a tax advisor regarding your state's specific rules.

⁴In addition to restrictions imposed by law, your employer may limit what expenses are eligible for reimbursements. It is the members' responsibility to ensure eligibility requirements as well as if they are eligible for the plan and expenses submitted.

⁵Some employers offer a base contribution and/or a contribution match. Please carefully review your annual enrollment materials to find out what's available.

⁶HRA must be limited in scope to preserve HSA.