

# HSA vs. FSA: Which Is Right for You?

Health savings accounts (HSAs) and flexible spending accounts (FSAs) allow you to set aside pretax dollars to spend on qualified medical expenses. These account types have their pros and cons, and they are not available to everyone. You cannot contribute to both an HSA and FSA in the same calendar year.

| HSA                                                            | FSA                                                      |
|----------------------------------------------------------------|----------------------------------------------------------|
| Available alongside some high deductible healthcare plans      | Offered as part of an employer benefit package           |
| Your money carries over from year to year                      | Your money doesn't carry over from year to year          |
| Belongs to you even if you leave your job                      | Your account is lost if you leave your job               |
| Can double your contribution if you have a family              | Your spouse is also entitled to their own FSA            |
| Can change contribution amount at any time throughout the year | Contribution changes only allowed during open enrollment |
| Money in the account is not subject to income tax              | Money in the account is not subject to income tax        |
| Funds can be invested and work like a 401(k) in retirement     | Funds cannot be invested                                 |

## How to Choose Between an HSA and FSA

| AN HSA IS A GOOD OPTION IF:                             | AN FSA IS A GOOD OPTION IF:                                           |
|---------------------------------------------------------|-----------------------------------------------------------------------|
| You do not have high medical expenses                   | You do not want to be enrolled in a high deductible healthcare plan   |
| You do not plan on staying at your job through the year | You can benefit from a dependent care FSA and your employer offers it |
| You want to build up savings                            | You want access to 100% of your contributions on day one              |
| You want the opportunity to grow your money             |                                                                       |