

# HSA/FSA Comparison

Health Savings Accounts (HSAs) and Healthcare Flexible Spending Accounts (FSAs) are both great ways to reduce your income taxes by paying for medically-related expenses with pre-tax money, but the two types of accounts operate quite differently.

	<b>HSA</b>	<b>Healthcare FSA</b>
<b>Eligibility to Contribute</b>	You are eligible if you have a high deductible health insurance plan that meets IRS definitions.	You are eligible if you do not have an HSA.
<b>Annual Contribution Dollar Limits</b>	In 2018, the Baylor and employee only contribution limit combined is \$3,450 and \$6,900 for family.	In 2018, the limit is \$2,650.
<b>Account Ownership</b>	The HSA is a bank account owned by you, regardless of where you work.	Your FSA is set up and owned by your employer.
<b>Access to your Money</b>	You only have access to what has actually been deposited into your HSA to date, like any other bank account. If you have a big claim and don't have enough in your HSA to cover it, you will need to pay for the cost out-of-pocket, and reimburse yourself later as more funds are deposited.	You have access to your entire annual healthcare FSA election amount any time during the year, even if you have not had all of the money deducted yet from your check.
<b>Use it or Lose it</b>	No, any unused funds in your HSA at the end of the plan year are yours to keep, and stays in your account indefinitely until you spend it.	Yes, any money you do not spend out of your FSA prior to March 15th (following the plan year) is forfeited back to the company.
<b>Option to Change Contributions</b>	You can change your election amount on a monthly basis, as long as it does not exceed IRS limits, and the amount is in proportion to the number of months you were covered under a high-deductible health plan.	You can only change your election amount if you experience certain qualifying events such as marriage, divorce, birth of a child, etc. Otherwise you are "locked in" until the next open enrollment.

## Transitioning from an FSA to an HSA

A healthcare FSA and/or a spouse's healthcare FSA are not allowed if the employee and/or spouse are enrolled in the High Deductible Health Plan (HDHP). Healthcare FSAs must be closed by December 31 before HSA contributions can be established for the new year. For participants who have FSA funds remaining in their account after December 31, Baylor and personal HSA contributions will begin after April 1 of the new year.