


# ACCOUNT COMPARISON CHART



	FSA	HSA	HRA	LPFSA	DCFSA
Definition	<b>Health Flexible Spending Account</b> , used to pay for <u>qualifying healthcare expenses</u>	<b>Health Savings Account</b> , a personal bank account used to save and pay for <u>qualifying healthcare expenses</u>	<b>Health Reimbursement Arrangement</b> , an employer-funded benefit plan used to pay for <u>qualifying healthcare expenses</u>	<b>Limited Purpose Flexible Spending Account</b> , used to pay for <u>qualifying dental and vision expenses</u>	<b>Dependent Care Flexible Spending Account</b> , used to pay for <u>qualifying child or adult dependent expenses</u>
2023 Contribution Limits	<b>\$3,050</b> (individual or family coverage) <b>per plan year</b>	<b>\$3,850</b> individual <b>\$7,750</b> family	As set by the employer or IRS maximums	<b>\$3,050</b> (individual or family coverage) <b>per plan year</b>	<b>\$5,000</b> (\$2,500 if married and filing separately)
Tax Savings	Contributions and distributions are tax-free	Triple tax-free (contributions, distributions, & gains are tax-free)	Reimbursements are tax-free	Contributions and distributions are tax-free	Contributions and distributions are tax-free
Why would an employer want to offer this plan?	<ul style="list-style-type: none"> <li>Tax savings for employer</li> <li>Helps employees save on health costs</li> <li>More robust benefits offering</li> </ul>	<ul style="list-style-type: none"> <li>Tax savings for employer</li> <li>Not subject to ERISA and COBRA</li> <li>Helps employees save on health costs</li> </ul>	<ul style="list-style-type: none"> <li>Tax savings for employer</li> <li>Lower health costs for employers</li> <li>Employer can custom create a more robust offering in design of the plan</li> </ul>	<ul style="list-style-type: none"> <li>Tax savings for employer</li> <li>Can offer along with HSA</li> <li>More robust coverage of dental and vision care</li> </ul>	<ul style="list-style-type: none"> <li>Tax savings for employer</li> <li>Helps employees save taxes on dependent care</li> <li>More robust benefits offering</li> </ul>
Why would an employee want to participate?	<ul style="list-style-type: none"> <li>Pre-tax funds are available on day 1 of plan year</li> <li>Covers everyday items like over-the-counter medications</li> <li>No need to be enrolled in group health plan</li> </ul>	<ul style="list-style-type: none"> <li>Triple tax advantage</li> <li>Account belongs to the enrollee for life and the balance never expires</li> <li>Able to invest and use as retirement savings account</li> </ul>	<ul style="list-style-type: none"> <li>Completely funded by employer</li> <li>Offsets employee out-of-pocket health costs</li> </ul>	<ul style="list-style-type: none"> <li>Can pair with an HSA to maximize tax savings</li> <li>Offsets employee out-of-pocket dental and vision costs</li> </ul>	<ul style="list-style-type: none"> <li>Tax savings on dependent care services</li> <li>Can help employees budget and save by setting aside for anticipated costs</li> </ul>
Funds Available	Fully available on <b>DAY 1</b> of plan 	Typically available as accrued, but some now funded in advance	<b>ON DAY 1</b> or as accrued (as determined by employer)	Fully available on <b>DAY 1</b> of plan 	As accrued
Who can contribute?	Employee and employer	No restriction on who can contribute	Employer only	Employee and employer	Employee and employer
2023 Rollover	If employer permits; <b>up to \$610</b>			If employer permits; <b>up to \$610</b>	Rollover not available; grace period may be offered
Plan Enrollment Requirements	Any healthcare coverage (or as determined by employer)	Must be paired with qualified HDHP to contribute dollars.	Must be enrolled in employer sponsored group coverage	Any healthcare coverage (or as determined by employer)	Any healthcare coverage (or as determined by employer)
Can Be Paired With	<b>HRA; DCFSA</b>	<b>LPFSA; DCFSA</b>	<b>FSA; DCFSA</b>	<b>HSA; DCFSA</b>	<b>FSA; HSA; HRA; LPFSA</b>
Are pre-tax payroll deductions allowed?					
Access to funds after termination?	Employee may be offered COBRA (typically until the end of the year)	Yes - individual account not tied to employment status	Employee must be offered COBRA	Employee may be offered COBRA (typically until end of year)	