



AMERICAN BENEFITS GROUP

COMPARISON CHART

	HRA	HSA	FSA
Definition	An employer-funded medical expense reimbursement plan for qualifying medical expenses.	An employer- and/or employee-funded account in the employee's name (eligible individual) for current and future medical expenses; requires a high-deductible health plan and a qualified trustee or custodian.	An employee- and/or employer-funded account for qualifying medical expenses.
Qualifications	Any size group (only common-law employees can participate on a tax-free basis).	Any size employer (only eligible individuals can establish an HSA).	Any size group (only common-law employees can participate).
Employer Tax savings	Contributions are tax-deductible when paid to the participant to reimburse an expense.	Contributions are tax-deductible in the year the contribution is made.	Contributions are tax-deductible when paid to the participant to reimburse an expense. As a result of salary reductions, lower adjusted employee income reduces employer-matching FICA & federal unemployment.
Employee Tax savings	Reimbursements for eligible expenses are excluded from income.	Contributions can be pre-tax or are tax-deductible on the employee's personal tax return. Funds earn interest tax-free. Reimbursements for qualified medical expenses are excluded from income. Employee may withdraw funds for non-medical expenses that are subject to income and excise tax.	Contributions are made pre-tax. Reimbursements for eligible expenses are excluded from income.
2022 Maximum Contributions	Employer determines maximum contribution.	2022 contribution limits- \$3,650 (single), \$7,300 (family). Additional \$1,000 allowed for ages 55 and older. Partial-year restrictions apply.	IRS Maximum is \$2,850.
Source of Funding	Employer	Employer, employee and any other individual	Employer and employee
Who owns Unused funds?	Employer (unless benefits are paid from a trust)	Employee (eligible individual name on the established trust account)	If funds attributable to employee are pre-tax salary reductions, the plan owns (in the case of an ERISA plan)
Is fund Portable?	No (however, it may have a post termination spend-down feature).	Yes, funds belong to the employee (or eligible individual).	No
Do funds Roll over?	Yes, if employer specifies.	Yes	No. However, an employer may establish a grace period. For more



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Funding Requirement	Not required to pre-fund - uniform coverage rule does not apply.	Funds must be present before withdrawal is made. Employer may contribute to HSA over time or all at once.	Uniform coverage rule applies. Claims must be paid without regard to contribution amount.
2022 Deductible	An HRA is not subject to a minimum deductible. An HRA may be offered in conjunction with a high-deductible health plan (deductible amount established by employer).	\$1,400 (single) \$2,800 (family)	Healthcare FSA is not subject to a minimum deductible.
2022 maximum Out-of-pocket	Employer sets funding levels.	\$7,050 (single) \$14,100 (family)	Employer sets funding levels
Allowable Expenses and plan Restrictions	Can be offered alone or in conjunction with a major medical plan. Allows otherwise unreimbursed Code 213(d) medical expenses, including health insurance premiums. May not reimburse expenses for qualified long-term care services. Employer may restrict scope of reimbursements by plan design. If participant also has an HSA, HRA must be limited to dental expenses, vision expenses and expenses constituting preventive care. As of January 2011, over-the-counter drugs and medicines (except insulin) are not eligible unless prescribed by a medical provider.	Can only be established by those who have qualifying high-deductible health plan coverage (deductible must meet statutory limit) and no disqualifying non-high deductible health plan coverage. Employees who are entitled to Medicare cannot establish or contribute. Allows otherwise unreimbursed medical Code Section 213(d) expenses, excluding most premiums. Employer cannot restrict the scope of HSA distributions, except for expenses paid with an electronic payment card (so long as account beneficiary has other means to obtain funds from HSA). As of January 2011, over-the-counter drugs and medicines (except insulin) are not eligible unless prescribed by a medical provider.	Can be offered alone or in conjunction with a major medical plan. Allows otherwise unreimbursed Code 213(d) medical expenses, excluding premiums on qualified long-term care services. Employer may restrict scope of reimbursements by plan design. If participant also has an HSA, FSA must be limited to dental expenses, vision expenses and expenses constituting preventive care. Over-the-counter medicine as well as menstrual products.
Prescription Co-pay	Yes	Yes	Yes
Non-medical Expense Withdrawals	No	Taxable and subject to a 20 percent penalty (no penalty if age 65 or older, or disabled as defined by Code Section 72).	No