

Comparison: Health Savings Account (HSA) vs Flexible Spending Account (FSA)

HSAs and FSAs help you pay for qualified medical, dental and/or vision care expenses. This includes deductibles, copayments, coinsurance and pharmacy benefits expenses. Compare the account features to determine which may be best for you.

	Health Savings Account (HSA)	Health Care Flexible Spending Account (FSA)
Account Ownership	Employee / Individual	Employer (held in Employee's name)
Deposits Made By	Employer, Employee or Both	Employee
Separate Account	Required	None
Expenses Covered IRS Publication 502 (Medical and Dental Expenses)	Medical, dental, vision, pharmacy, over-the-counter expenses. COBRA, retiree medical insurance premiums, LTC premiums or expenses	Medical, dental, vision, pharmacy and some over-the-counter expenses
Health Plan Design Requirements	Must be covered by qualified High Deductible Health Plan (HDHP) and not covered by any plan that covers medical expenses before the deductible	May be covered by HDHP (limited purpose FSA only) or Health Plan
Contribution Limits	2025: \$4,300 individual; \$8,550 family 2026: \$4,400 individual; \$8,750 family Catch-up: \$1,000	2025: \$50 - \$3,200 2026: \$50 - \$3,300 Limit is per person. Employers may have a lower limit than what the IRS allows.
Rollover/Carryover	Full automatic rollover from year to year	2025: \$50 - \$640 2026: \$50 - \$660 <i>\$50 minimum does not apply if re-enrolled for next plan year</i>
Funds Availability	As deposits are credited	Full annual election available on first day of plan year (January 1st)
Tax Advantage	Triple tax advantage: contributions, distributions, and investment earnings	Paycheck contributions are pre-tax for most employees
Claim Adjudication	Unnecessary, though participants should retain receipts in the event of IRS audit	Required
Compatibility with Other Accounts	May be paired with Dependent Day Care Account. If paired with Health Care FSA, Health Care FSA limited to dental, vision, and post-deductible medical expenses	May be paired with Dependent Day Care Account. If paired with HSA, Health Care FSA limited to dental, vision, and post-deductible medical expenses
Employer Contributions	Can be made on behalf of active employees. 2025: Up to \$828 individual, \$1,650 family 2026: Up to \$852 individual, \$1,704 family	None
COBRA	Does not apply	Applies
Debit Card Usage	Yes	Yes
Contributions for Medicare Participants	Contributions cannot be made once an individual has Medicare coverage	No limits on contributions
Usage for Ineligible Expenses	Amount included in income; subject to 20% penalty unless beneficiary death, disability or attain age 65	Not allowed
Expenses Incurred After Individual Loses Eligibility	Allowed	If COBRA is elected and premium is paid