Answers to frequently asked questions about HSAs, FSAs and HRAs

Learn the differences between a health savings account (HSA), health care flexible spending account (FSA) and health reimbursement account (HRA) to get the most out of your health plan.

	HSA	Health care FSA	HRA
What is it?	It's a personal bank account to help you save and pay for covered health care services and qualified medical expenses.	It's an account to help you pay for covered health care services and eligible medical expenses.	It's an account to help you pay for covered health care services and eligible medical expenses.
How do I get it?	You have to sign up for a high deductible health plan that meets a deductible amount set by the IRS. You also have to meet other IRS guidelines to be eligible to have it. You can learn about these at **irs.gov**.	You can sign up for a health care FSA if it is offered by your employer. You do not need to sign up for a health plan.	It is usually connected to a health plan. If your employer offers this type of plan, you will get it when you sign up for the plan. It's not common to have an HRA without a health plan.
Who owns it?	You do.	Your employer, but it's your money.	Your employer.
Who puts the money in it?	You. Your employer, family and others can put money into it if they choose.	You. Your employer can also put money into it if they choose.	Only your employer. You can't put your own money into it.
How is money put in it?	You can make deposits like you do with other personal bank accounts. Your employer and family can also put money into the account. Your employer may allow you to deposit money straight from your paycheck, before the money is taxed.	Your employer will take money out of each paycheck, before taxes, and put it into the account.	Your employer may put all of the money in the account at the beginning of the plan year or they may do so each month.

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Is there a limit on how much I can put in it?	Yes. The IRS sets a limit on how much you can put into it each year. You can usually find the limits in your health plan documents and at **irs.gov**. While there are annual limits, there is no limit to how much you can save over time.	Yes. The IRS sets a limit on how much you can put into it each year. You can usually find the limits in your health plan documents and at **irs.gov**. Your employer can decide what the annual limit will be but it can't be more than the IRS limit.	No. There are no limits for you because you can't put your own money into an HRA.
If I don't spend it all this year, can I use it next year?	Yes. Since you own the account, the money will stay in it until you choose to spend it. You can save and use it into retirement.	Yes. Your employer can allow up to $550 to carry over. The $550 limit is set by the IRS.	Yes. Your employer can limit the amount that can carry over.
Can I cash it out at any point?	Yes. But if you cash it out and do not use the money for qualified medical expenses, you will have to pay taxes on it. And you may also have to pay a 20% tax penalty.	No.	No.
Can I keep it if I leave my employer? What happens to the money?	Yes. You own the account.	No. Your employer keeps the money.	No. Your employer keeps the money.
When can I start spending it?	You can start spending the HSA once you have signed up for a high deductible health plan and have opened the account.	You can start spending the FSA on the first day of the plan year.	In most cases, you can start spending the HRA on the first day of the plan year. Your employer can also set rules on when you can use the money.
Do I have to pay taxes on it?	No. You don't have to pay federal or, in most instances, state income taxes on: • Deposits you or others make to an HSA • Money you spend from an HSA on qualified medical expenses • Interest earned from an HSA— and if you put money into an HSA using pretax payroll deposits through your employer, you don't have to pay Social Security taxes on it either	No. You don't have to pay federal, state and Social Security taxes on this money. You also don't have to pay federal income taxes on any money that is reimbursed to you.	No. You don't have to pay federal or state income taxes on this money.
If I don't spend it, will it earn interest for me?	Yes, an HSA can earn interest. But the amount you can earn depends on the bank you use and how much you have in the account.	No.	No.

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What can I pay for with it?	You can pay for hundreds of qualified medical expenses, which are determined by the IRS. This can include services covered by a health plan. You can also use it to pay for dental, vision and many other health care services and supplies that are listed under Section 213(d) of the Internal Revenue Code.	You can pay for hundreds of eligible medical expenses, which are determined by the IRS and your employer. This can include services covered by a health plan. It can also be used for dental, vision and many other health care services and supplies that are listed under Section 213(d) of the Internal Revenue Code.	You can pay for hundreds of eligible medical expenses, which are determined by the IRS and your employer. Your employer may only allow the HRA to pay for services covered by your health plan. Some employers may also let you use it to pay for dental, vision and other health care services and supplies that are listed under Section 213(d) of the Internal Revenue Code.
Can I use it for things other than health care?	No, as long as you are under the age of 65. And if you use it for services that aren't qualified medical expenses, you could pay a 20% penalty tax. If you are over the age of 65, you can use it for pretty much anything.	No.	No.
Can I have any other accounts with it?	Yes. You can have a limited-purpose FSA or limited-purpose HRA, which can only be used for eligible dental and vision services.	Yes. You can have an HRA or a dependent care FSA. You can use a dependent care FSA to pay for eligible day care and elder care services.	Yes. You can have a health care FSA and dependent care FSA.
If I receive COBRA benefits, do COBRA rights apply to it?	COBRA does not apply to the account. But COBRA rights apply to the high deductible health plan offered by your employer. Check with your employer for details.	Yes, COBRA rights apply. Check with your employer for details.	Yes, COBRA rights apply. Check with your employer for details.
Can I use it to pay for COBRA plan premiums or other plan premiums?	Yes.	No.	Yes.

What's the difference between a qualified medical expense and an eligible medical expense?

A qualified medical expense is a health care service, treatment or item that the IRS says can be purchased without having to pay taxes.

An eligible medical expense is a health care service, treatment or item that the IRS says can be covered or reimbursed (paid back) by a benefit plan.

Learn more

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The UnitedHealthcare plan with Health Savings Account (HSA) is a qualifying high deductible health plan (HDHP) that is designed to comply with IRS requirements so eligible enrollees may open a Health Savings Account (HSA) with a bank of their choice or through Optum Bank, Member of FDIC. The HSA refers only and specifically to the Health Savings Account that is provided in conjunction with a particular bank, such as Optum Bank, and not to the associated HDHP.

The UnitedHealthcare plan with Health Reimbursement Account (HRA) combines the flexibility of a medical benefit plan with an employer-funded reimbursement account.

Health savings accounts (HSAs) are individual accounts and are subject to eligibility and restrictions, including but not limited to restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code. State taxes may apply.

A flexible spending account is not insurance. It may also be referred to as a flexible spending arrangement. This communication is not intended as legal or tax advice. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment, and restrictions. Federal and state laws and regulations are subject to change.