

HSA or FSA? Find the Right Fit for Your Healthcare Expenses

What Are These Accounts?

Both accounts use pre-tax dollars to pay for eligible healthcare expenses for you and your eligible dependents.

HSA

Health Savings Account is paired with a High Deductible Health Plan (HDHP).

FSA

Flexible Spending Account is most often paired with a Traditional PPO plan.

What Are Eligible Expenses?

Both accounts can be used to pay for copays, deductibles, prescriptions, glasses and contacts, dental care, orthodontics, and more! For a complete list of qualified medical expenses, see IRS Publication 502.

What Are the Biggest Benefits?



HSA

There are short term and long term benefits.

You can save and spend tax-free right now, and you can also save and invest for bigger health expenses down the road.



FSA

There are short term benefits.

You can save and spend tax-free on predictable health expenses each year.

Am I Eligible?



HSA

You must be enrolled in an HDHP. You cannot be enrolled in a traditional PPO plan or participate in a healthcare FSA or HRA.



FSA

You can participate in the FSA regardless of your other benefit coverage elections.

Who Owns the Account?



HSA

You own the account. The money goes with you if you leave the company or retire.



FSA

Your employer owns the account. You forfeit the funds if you leave the company or retire.

How Much Can I Contribute in 2025?



HSA

Up to \$4,300 (employee), \$8,550 (family), and an additional \$1,000 if you are age 55+. You can update your contribution amount at any time. Please note that the HSA is 100% employee funded.



FSA

Up to \$3,300. You can update your contribution during open enrollment or if you experience a qualifying life event, like getting married.

Do Funds Rollover?



HSA

Yes, funds rollover from year to year.



FSA

FSAs have a “use it or lose it” policy. You may use what you set aside for the plan year until March 15th of the following year.

When Are the Funds Available?



HSA

Funds are available as you accrue them throughout the year.



FSA

Your full election is on the first day of the plan year.

What Happens When I Enroll in Medicare (including Medicare Part A)?



HSA

You may no longer contribute to your HSA. However, you can continue to use the funds for eligible expenses including Medicare premiums.



FSA

Medicare premiums are not reimbursable through an FSA. An HSA serves as the better long-term option when it comes to retirement.

What Happens If I Am Enrolled in Medicare (including Medicare Part A)?



HSA

You are not eligible to contribute to an HSA.



FSA

You are eligible to contribute to an FSA. However, Medicare premiums are not an eligible expense.

How Can I Manage This Account?



HSA

Allegiance manages this account. Call **877.424.3570** or visit www.AskAllegiance.com for more information.



FSA

Allegiance manages this account. Call **855.999.1052** or visit www.AllegianceFlexAdvantage.com for more information.