

Health savings accounts or health reimbursement arrangements: What you need to know

Health savings accounts (HSA)	Health reimbursement arrangements (HRA)
<p>Health savings accounts (HSA) allow employees and employers to contribute pre-tax funds to help employees pay for medical expenses.</p> <p>Below are some important details specific to an HSA:</p> <ul style="list-style-type: none"> • Funded by employee or employer • Employee-owned account • High-deductible health plan required with HSA • Accumulation can earn interest • Accumulation can be rolled over from year to year 	<p>Health reimbursement arrangements (HRA) allow employers to contribute pre-tax funds to help employees pay for medical expenses.</p> <p>Below are some important details specific to an HRA:</p> <p>Funded by employer only</p> <ul style="list-style-type: none"> • Employer-owned • Unused funds remain with employer upon separation from employment • Accumulation can be rolled over from year to year • Enrollees in an HRA are not allowed Marketplace tax credits unless the HRA is considered unaffordable coverage under the ACA <ul style="list-style-type: none"> ◦ If considered unaffordable, employees can opt out of the HRA and would then be eligible for tax credits through the Marketplace

More information about health savings accounts and health reimbursement arrangements can be found on the IRS website at go.usa.gov/xVz3s.

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