

Flexible Spending Account (FSA) and Health Savings Account (HSA) Comparison Chart

FEATURE	Flexible Spending Account(FSA) Administered by Flex-Plan Services. Inc.	Health Savings Account (HSA) Administered by Health Equity
Eligible with Plans	Group Health Classic Group Health Value Kaiser Classic Uniform Classic	Group Health CDHP Kaiser CDHP Uniform CDHP
Enrollment	Optional	Automatic
Account Ownership	Claims accrued while eligibly participating in the plan are able to be claimed. Any funds left in the account outside of the identified claim year/grace period, or after you separate from active employment, may be lost. Possibility to claim funds under the Flex-Plan Services, Inc. COBRA benefit	The HSA is owned by you. If you separate from WSU, you take your contributions and the employer contributions with you. In some circumstances, you may not be able to continue making contributions after employment has ended. See FAQ's for more information
Type	Year-to-Year	Long Term
Eligibility	You are eligible if you enroll in a Classic/Value medical account or if you waive your medical coverage. If you enroll in an FSA, your spouse cannot not have an HSA	Must meet IRS eligibility requirements* <i>*see hrs.wsu.edu/Health+Savings+Account</i>
Who Can Use the Account?	The employee and any IRS tax dependents* <i>*A Registered Domestic Partner must meet the IRS qualifications as a tax dependent to use the account</i>	The employee and any IRS tax dependents <i>*A Registered Domestic Partner must meet the IRS qualifications as a tax dependent to use the account</i>
Account is Active	New Hire: First of the following month in which the enrollment form is submitted Open Enrollment: January 1 st of the following plan year	New Hire: The same date as your medical coverage Open Enrollment: January 1 st of the following plan year

<p>Tax Implications</p>	<p>Employee’s contributions are taken out of each paycheck pre-taxed, which reduces taxable gross income</p>	<p>Employees who participate in payroll deduction will have contributions taken out of paychecks pre-taxed, which reduces taxable gross income</p> <p>Employees may also contribute directly through the account administrator, Healthy Equity. If employee contributes this way, they are given a tax credit against any funds deposited post-tax which they claim when they file their taxes</p>
<p>Contributions</p>	<p>Employee Only</p> <p>Election amount is fixed for the entire plan year and non-refundable* <i>*Account changes are only allowed during qualifying events</i></p> <p>Payroll deducts equal shares of elected amount from eligible plan year pay checks</p>	<p>Employee (optional) Employer (mandatory)</p> <p>WSU contributes:</p> <ul style="list-style-type: none"> • \$700.08 p/yr (\$58.34 p/mth) for an individual • \$1400.04 p/yr (\$116.67 p/mth) for a subscriber with one or more covered dependents <p><i>*Amounts are prorated depending on enrollment date</i></p> <p>Employee may contribute through payroll deduction on a pre-taxed basis or directly through the account administrator, Health Equity, and receive a tax credit against any funds deposited post-tax</p>
<p>Annual Contribution Limits</p>	<p>Annual Minimum: \$240 Annual Maximum: \$2,500 per employee*</p> <p><i>*You and your spouse may each enroll in an FSA and contribute up to the annual maximum</i></p>	<p>No Annual Minimum</p> <p>Annual Maximum: \$3,350 per person: ($\\$700.08 - \text{WSU}^1$; $\\$2649.92 - \text{Empl}^2$)</p> <p>\$6,650 per family³: ($\\$1,400.04 - \text{WSU}^1$; $\\$5,249.96 - \text{Empl}^{2,3}$)</p> <p>¹<i>If you are eligible for the \$125 Wellness Incentive for 2015, this would also count as part of the employer contribution, and lower the amount you can contribute.</i> ²<i>55 and older may contribute an additional \$1,000 per year</i> ³<i>“per family” includes contributions between you and your spouse, even if you have separate accounts</i></p>

<p>Funds Deposited</p>	<p>Account is front loaded with entire election amount</p>	<p>Must wait for contributions to be made Employer contribution is deposited the last day of each month</p>
<p>Use it or Lose it?</p>	<p>Any funds you do not spend by the end of the plan year (or eligible grace period) are forfeited</p> <p>Annual Grace Period</p> <ul style="list-style-type: none"> • IRS permits employees to make claims against the previous year's benefit • Grace Period allows bills incurred between January 1 through March 15 to be used against previous years account • Only available to employees who elect a Classic/Value plan or waive their coverage during the Grace Period plan year 	<p>Any funds you do not spend are yours to keep and roll over from year to year (includes WSU contributions)* <i>*See Account Ownership</i></p> <p>No Grace Period since funds roll over</p>
<p>Re-enrollment</p>	<p>Must re-enroll every Open Enrollment (November) for the next plan year</p>	<p>No enrollment or re-enrollment necessary Employee is automatically enrolled in a HSA if enrolled in a CDHP</p>
<p>How to Use the Account</p>	<ul style="list-style-type: none"> • Submit paper claims for reimbursement <ul style="list-style-type: none"> -Next-day claims processing -Direct Deposit reimbursements • Use debit card (Flexi-Card) for reimbursement • Retain and send in all receipts • On-line account access/Mobile App 	<ul style="list-style-type: none"> • Work with Health Equity on utilizing funds in the account • Maintain records/receipts for future IRS audit • Manage and monitor your funds • File appropriate tax paperwork
<p>Obligation to ensure expenses are qualified</p>	<p>Flex-Plan Services, Inc. verifies eligible expenses as part of the claims process</p>	<p>Individual is responsible to ensure expenses claimed are eligible</p>
<p>Portability and Carryover</p>	<p>Contributions are not portable or able to be carried over to a new year</p> <p>Employees will forfeit any unused balance at the end of the plan year and/or grace period</p>	<p>Once money is deposited, it is owned by the account holder, and carried over indefinitely throughout the account holder's lifetime</p> <p>The account may be passed on to a surviving spouse without federal tax liability upon death</p>

Investment and Interest	Not an interest bearing account and no investment options	Funds can gain interest and employees may be able to invest funds
Beneficiaries	No Beneficiary designation for this account	Beneficiary Designation Necessary

Additional Resources:

[Flex-Plan Services, Inc. Website](#)

[Health Equity Website](#)