

Health Reimbursement Accounts, Health Spending Accounts and Flexible Spending Accounts Under the Affordable Care Act

	Health Reimbursement Account (HRA)*	Flexible Savings Account (FSA)	Health Savings Account (HSA)
Eligibility	All employees	All employees	Those with high-deductible plan**
Ownership	Employer	Employer	Employee
Who contributes	Employer only	Employer, employee, or both	Employer, employee, or both
2013 contribution limits	At employer's discretion	\$2,500	Single: \$3,250 Family: \$6,450
Earns interest?	No	No	Yes, earnings accumulate tax-free
Funds carry over to next year?	At employer's discretion (all, none, or limited)	No – use it or lose it	Yes
Portability	Balances forfeited at termination	Balances forfeited at termination	Yes, employee-owned
Tax advantages	Employer may deduct reimbursed medical expenses as business expense. Reimbursements excludable from employee's income.	Employee contributions made on tax-free basis. Employers with cafeteria plans receive FICA tax savings.	Tax-free interest. Cafeteria plans: pre-tax employee contributions, employer FICA tax savings. Other contributions tax deductible.
*Note: Standalone HRAs not permitted.			
** For 2013, high-deductible defined as at least \$1,250 single, \$2,500 family.			