

FSA, HRA, and HSA

What do these acronyms mean and how can they be implemented?

These types of accounts are used to pay for qualified health care (and in some cases, dependent care) expenses for you and your covered dependents. As an employer, these accounts can provide your employees with a tax-friendly account that can benefit them and their families. Let's explore each one:

FSA (Flexible Spending Account)

What is it?

Employees can use this to pay for eligible health care expenses for themselves and their covered dependents. They can also use a Dependent Care Flexible Spending Account to pay for the care their dependents receive (i.e. child care, adult care services, eldercare).

Employer Impact

The cost to employers includes the fee for maintaining the account through your insurance broker, or through an outsourced party to administer the account. As a benefit, an employer may also avoid a payroll tax on the amount employees contribute to their FSA.

Employee Impact

The account is tax-advantaged, any contributions you make are un-taxed. It is used with a debit card, so you can easily pay from your account at the time of service without having to use your personal bank account. This provides an extra layer of security around funding for medical or child care related expenses.

How to Get Started

Ask your insurance broker if they administer FSA accounts. If you don't work with an insurance broker, contact someone from the following list to learn more:

- [The Richards Group](#)
- [Health Equity](#)
- [Healthy Dollars](#)
- [WageWorks](#)
- [csOne](#)
- [EBPA](#)

HRA (Health Reimbursement Arrangement)

What is it?

This is set-up and funded by the employer to help pay for eligible health care expenses.

Employer Impact

The cost to employers is the responsibility for providing a health insurance plan(s), as well as an amount of money that is reimbursed to the employee. This amount can be determined based on the kind of HRA you are providing.

Employee Impact

The account is tax-advantaged. It is used with a debit card, so you can easily pay from your account at the time of service without having to use your personal bank account. This provides an extra layer of security around funding for many types of medical expenses.

How to Get Started

Ask your insurance broker if they administer HRA accounts. If you don't work with an insurance broker, contact someone from the following list to learn more:

- [Health Equity](#)
- [Healthy Dollars](#)
- [WageWorks](#)
- [PeopleKeep](#)
- [csOne](#)

HSA (Health Savings Account)

What is it?

This is a savings account that is compatible with a high deductible health plan. The employee owns the account and it's used to help pay for qualified health care expenses.

Employer Impact

The cost to employers is the responsibility for providing a high deductible health insurance plan. They can also choose to contribute anywhere from \$100 to \$3,400/year to an employee's account (as long as the total HSA contribution doesn't exceed the IRS mandated contribution limit).

Employee Impact

The account is tax-advantaged, any contributions you make are un-taxed. It is used with a debit card, so you can easily pay from your account at the time of service without having to use your personal bank account. This provides an extra layer of security around funding for many types of medical expenses. Note that an HSA account will stay with you, even if you are to leave your current employer.

How to Get Started

Ask your insurance broker if they administer HSA accounts. If you don't work with an insurance broker, contact someone from the following list to learn more:

- [Health Equity](#)
- [Healthy Dollars](#)
- [WageWorks](#)
- [csOne](#)