[Spending Account] Options

Consumer-driven solutions for your [employer groups]

FLEXFACTS
a company of grant benefit solutions

Solutions to Empower Your [employer groups]

Comparing HSAs, HRAs and FSAs

	Health Savings Account (HSA)	Health Reimbursement Arrangement (HRA)	Flexible Spending Account (FSA)
Overview			
General Purpose	Funding a lifetime of healthcare expenses with pre-tax dollars	Tax advantaged account that reimburses employees for out-of-pocket expenses	Funding predictable healthcare expenses in the current year with pre-tax dollars
Account Owner	Employee	Employer	Employer
Health Plan Pairings	Must be paired with a qualified high-deductible health plan (HDHP)	Can be paired with any health plan	Can be paired with any health plan
Distribution of Funds	Eligible medical expenses with exceptions Funds are to be used to pay for 213(d) eligible expenses, but may be withdrawn for non-medical expenses with a 20% penalty	Eligible medical expenses per plan design Funds may be used to pay for expenses determined by the employer; cannot access for non-medical reasons	Eligible medical expenses only Funds may be used to pay for 213(d) eligible expenses only; cannot access for non-medical reasons
Timing of Usage	Funds are never forfeited and always belong to the account holder	Plans may permit funds to rollover	Plans may permit either a grace period or rollover up to $500
Earning Investments	Integrated investment options and/or interest benefits can be available	No earnings paid	No earnings paid
Tax Savings	Employer contributions and employee contributions via bank account are tax-deductible Employee contributions made via payroll deduction are tax-free	Employer contributions are tax deductible to the employer and tax-free to the employee	Employer contributions are tax-deductible Employee contributions made via payroll deduction are tax-free
Contributions			
Source of Contributions	Employee & employer (both optional)	Employer only	Employee & employer (both optional)
Contributions	Annual election amount is determined by the participant during open enrollment and deducted evenly per pay period	Annual election amount is determined by the employer	Annual election amount is determined by the participant during open enrollment and deducted evenly per pay period
Allowed Employee Contribution Changes	Employees can adjust contributions throughout the year up to IRS limit	Not applicable, employees cannot contribute to account	Changes may only be made due to a qualified life event (marriage, birth, etc.)
Disbursements			
Direct Access to Funds	Pay providers directly via debit card or send providers payment via the member portal	Options vary by plan design	Pay providers directly via debit card
Reimbursement Options	Employees pay for eligible expenses directly from the account or submit a reimbursement request online or via the mobile app	Options vary by plan design	Submit a claim for reimbursement with receipts online, by fax, or using the mobile app
Substantiation Requirements	There is no requirement for substantiation; documentation should be kept in case of IRS audit	Receipts and Explanation of Benefits (EOBs) should be kept for all purchases	Receipts and Explanation of Benefits (EOBs) should be kept for all purchases
Cash Withdrawal	Cash withdrawals are allowed; the cash must be used on an eligible expense or be subject to a 20% penalty	Not permitted	Not permitted

Choosing the Right Plan

Which plan is right for your [employer groups]

Health Savings Account (HSA)

Employers who are seeking to minimize the cost of providing health benefits by offering a high-deductible health plan (HDHP) will generally offer an HSA. Since compliance requires less paperwork, they can often save on administrative costs. HSAs offer employees a broader value proposition: the ability to pay for current or future expenses without fear of forfeiting dollars, triple tax advantage, investment growth potential, and the option to pay for non-medical expenditures if necessary.

Health Reimbursement Arrangement (HRA)

An HRA can be a good first step to encouraging employees to take a consumer-driven approach to their own healthcare. An HRA is a fund set up by the employer. The employer sets aside a certain amount of money each year for employees to use for medical expenses not covered by their health plan, such as deductibles or coinsurance. Only the employer can put money into the HRA. They may be designed in many fashions to suit the specific needs of the employer and employees. It is one of the most flexible types of employee benefits plans, making it very attractive to most employers.

Flexible Spending Account (FSA)

FSAs do not require participation in an HDHP, so they are most frequently offered in conjunction with traditional health plans. Traditional health plans limit out-of-pocket expenses for participants making it easier for an employee to estimate annual medical expenses by calculating projected copays, deductible amounts, coinsurance, etc. FSAs truly are a “spending” account, in that participants are expected to spend the funds by the end of the plan year, though certain plans may have features that allow for added flexibility.

You can also offer these pre-tax accounts to help your [employer groups] save money

Limited Purpose FSA (LPFSA)

An LPFSA is offered with an HSA and pays for eligible vision and dental expenses only. Like a health FSA, the full annual election is immediately available to the employee on day one of the plan year, even though funds have not yet been withdrawn from future paychecks.

Dependent Care Account (DCA)

A DCA lets employees use pre-tax dollars to pay for eligible expenses related to care for a child, disabled spouse, elderly parent, or other dependent who is physically or mentally incapable of self-care, so the employee can work, or if married, for a spouse to work, look for work, or attend school full time.

Commuter Benefits

A commuter account is an employer-sponsored benefit program that allows employees to set aside pre-tax funds in separate accounts to pay for qualified mass transit and parking expenses associated with their commute to work.

Post-Enrollment

Tools for employees to succeed

After enrollment, employees will have access to powerful tools to help them easily manage their account and make better healthcare decisions. No matter the account, employees get the same experience.

Debit Cards

Single card for multiple accounts that eliminates out-of-pocket expenses

Online Portal & Mobile App

Self-service tools to check balances, make payments, save receipts, and more

Notifications & Triggered Alerts

Real-time access to account balances, helpful reminders, and notifications when sensitive information has changed

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[Information about your company or program. Use this space to tell brokers something special about your company or unique to your benefits program that will add extra incentive for them to work with you.]

To get started, contact [contact title] at 877-943-2287 or Info@ FlexFacts.com.

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