INSURED AMERICAN & FAMILY

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HSA, FSA, HRA, The Health Tax Accounts

Three accounts. Different rules. Big tax savings.

Three letters can save you thousands in taxes. Here's how each one works, and which fits you.

WHAT IT IS

There are three tax-advantaged accounts the federal government allows for healthcare expenses: **HSA** (Health Savings Account), **FSA** (Flexible Spending Account), and **HRA** (Health Reimbursement Arrangement). They sound similar but have very different rules , and using the right one (or combo) is real money in your pocket.

THE THREE ACCOUNTS

HSA

Health Savings Account

Yours forever. Triple tax advantage. Requires a High-Deductible Health Plan (HDHP). Money rolls over year to year. Invest the balance like a 401(k).

FSA

Flexible Spending Account

Employer-sponsored. "Use it or lose it" (mostly). Funded with pre-tax dollars. Available with most employer plans, no HDHP required.

HRA

Health Reimbursement Arrangement

Employer-funded only, you don't contribute. Employer reimburses qualified medical expenses. Rules vary widely by employer. Usually not portable when you leave.

WHICH ONE FITS YOU?

- **HSA** = best long-term wealth tool. The only one that's truly yours and can grow tax-free.
- **FSA** = good if you know your annual healthcare spending. Plan carefully, leftover funds typically vanish.
- **HRA** = employer benefit. Use it before you leave; usually not portable.

THE 3 THINGS PEOPLE GET WRONG

1. **"HSA and FSA are the same."**
They are NOT. Different rules, different ownership, different portability. HSA is yours forever. FSA usually disappears at year-end.

2. **"HSA money is just for current medical bills."**
Wrong. HSA balance can be invested and grow tax-free. After 65, you can use it like a traditional IRA for any expense.

3. **"I can max out both an HSA and a general FSA."**
Generally NO. You can't contribute to an HSA AND a general-purpose FSA. Limited-purpose FSA (dental/vision only) is OK with an HSA.

THE POWER PLAY:

HSA + HDHP is the most powerful tax-advantaged health account in the U.S. If you qualify, contribute aggressively.

Want to maximize your tax-advantaged health accounts?

Call or text Craig, I'll help find the best plan that fits your medical and financial needs.

Don't go underinsured when you can be Insured AF.

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