

Question	HSA	FSA
Who owns the money in the account?	Individual	Individual; however it is subject to "use it or lose it" rule at end of plan year
Does the unused money roll over from year to year?	YES	No, it is subject to "use it or lose it" rule at end of plan year
Can the money be invested and earn interest?	YES, tax-free	NO
Is the fund portable?	YES	NO
Are the funds taxable?	Employee contributions are pre-tax. County's contribution are not taxable income. Funds spent on medical expenses are tax-free for life. At 65, funds used to supplement income are tax-deferred.	Deductions are Pre-Tax
Can the funds be used for non-medical expenses?	YES, but they are subject to taxes and a 10% penalty.	NO
How can an employee access funds?	Employee has direct access to funds with debit card or automatic payment. Claims may also be submitted.	Employee provides receipt for services and claim forms.
Who contributes to the account?	County and/or Employees	Employees
What type of health plan is required?	High Deductible Health Plan	No requirements.
Is there a "catch up" provision for older individuals?	Yes, in 2007, an individual age 55 or older may contribute an extra \$800 per year. Provision increases \$100 each year up to 2009, when the contribution can be \$1,000.	NO
Is there a maximum contribution per year?	Single coverage \$2,850.00 Dependent Coverage \$5,650.00 Amount needs to be reduced by the County contribution	\$5,000.00
Qualified Medical Expenses	Qualified medical expenses as defined in IRC 213(d), including over the counter drugs Retiree health insurance premiums other than Medicare supplement policies COBRA premiums Long Term Care	Qualified medical expenses as defined in IRC 213(d), including over the counter drugs
Death of Account Holder	Surviving spouse only (if designated beneficiary) entitled to use remaining account monies for qualified medical expenses. Otherwise it is taxable to beneficiary	Eligible dependents entitled to use remaining account monies for qualified medical expenses during the current plan year in accordance with plan document.
Claims Substantiation	Sole tax-payer responsibility	Claims are adjudicated by third party administrator