The ABCs of HSAs and FSAs

Understanding the difference between a Health Savings Account (HSA) and a Flexible Spending Account (FSA)

They may sound alike — and they both help you save money on your taxes — but each account has its own eligibility requirements, features and advantages, as outlined below.

Account Feature	These three accounts are for health care expenses.			This account is for day care expenses.
	HSA	Limited Purpose Health Care FSA	Health Care FSA	Dependent Day Care FSA
Who can contribute?	Everyone enrolled in an HDHP medical option (unless Medicare-enrolled)[1]	Everyone enrolled in an HDHP medical option	Everyone NOT enrolled in an HDHP medical option	Everyone
Are there AECOM matching contributions?	Yes, up to annual maximums, if enrolled in the Premier Plus HDHP or HDHP medical option	No	No	No
What are the 2018 contribution limits?	Up to $3,450 for individuals; $6,900 for families (less any AECOM matching contributions)	Up to $2,600	Up to $2,600	Up to $5,000 (up to $2,500 if married and filing separately)
Can I make catch-up contributions?	Yes, up to an additional $1,000/year if age 55 or older	No	No	No
When can I change my contributions?	Any time	Only during Benefits Open Enrollment or within 31 days of a qualifying life event	Only during Benefits Open Enrollment or within 31 days of a qualifying life event	Only during Benefits Open Enrollment or within 31 days of a qualifying life event
What types of expenses are eligible?	Medical, prescription drug, dental and vision deductibles, copays and coinsurance[2]	Dental and vision deductibles, copays and coinsurance	Medical, prescription drug, dental and vision deductibles, copays and coinsurance	Child and adult care so you (and your spouse/domestic partner) can work or go to school
Can I use my account for any other expenses?	Yes, but funds become taxable, plus you pay an additional 20% tax penalty if under age 65	No	No	No
Is there a debit card?	Yes	Yes	Yes	No
When can I begin using my account funds?	As soon as they are in your account	The first day of the plan year, up to your annual election amount	The first day of the plan year, up to your annual election amount	As soon as they are in your account
Will my balance roll over to next year?	Yes	No	No	No
Can I invest my account?	Yes, once your balance reaches $1,000; any earnings are tax-free, if used for eligible expenses	No	No	No
Can I take my account with me if I leave AECOM?	Yes	No, unless eligible for continuation through COBRA	No, unless eligible for continuation through COBRA	No

[1]You cannot contribute to an HSA if: you are enrolled in another medical plan (even a spouse's/domestic partner's plan) that is not an HDHP, enrolled in any part of Medicare, enrolled in an employer-sponsored full-purpose health care FSA (or your spouse's/domestic partner's full-purpose health care FSA) or claimed as a dependent on someone else's federal income tax return.

[2]In addition to eligible health care expenses, HSA funds can be used tax-free to pay for retiree health insurance premiums (except Medicare supplement plans), COBRA premiums, long-term care insurance premiums, health insurance premiums if receiving unemployment and certain types of other insurance premiums.

Visit the HSA and FSA pages on AECOMbenefits.com for details and additional resources. No login is required!

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