

# Comparing the HSA, Limited Purpose Healthcare FSA, and Dependent Care FSA for 2022

|   | Health Savings Account (HSA)  | Limited Purpose Healthcare FSA   | Dependent Care FSA   |
|---|---|--|--|
| <b>Who owns the account?</b>  | You do. You can take it with you, even if you retire or change jobs or health plans.                            | Your employer.   | Your employer.   |
| <b>Is a certain type of healthcare plan required with this account?</b>                         | Yes, a High Deductible Health Plan (HDHP). An HSA is tied to a HDHP medical plan.                               | You do not need to be enrolled in a medical plan or any other healthcare plan.                                 | You do not need to be enrolled in a medical plan or any other healthcare plan.                                 |
| <b>Who can contribute to the account?</b>   | You (through pre-tax payroll contributions or individual tax-deductible contributions), your employer, or both. | You.   | You.   |
| <b>Is there a maximum annual contribution limit?</b>  | For 2022:<br>\$3,650 for Individual and<br>\$7,300 for Family.  | Yes. The IRS limit for the Limited Purpose Healthcare Flexible Spending Account in 2022 is \$2,850.            | Yes. The IRS has established the 2022 Dependent Care limit at \$5,000.   |
| <b>Are catch-up contributions allowed (for those 55 and older)?</b>                             | Yes. 2022 Annual HSA Catch-up contribution is \$1,000.  | No.  | No.  |
| <b>Does the money in your account carry over from year to year?</b>                             | Yes.  | No. "Use it or Lose it."   | No. "Use it or Lose it."   |
| <b>Can you invest the funds in the account?</b>   | Yes. If the account balance exceeds \$1,000.  | No.  | No.  |
| <b>Can the money in your account be withdrawn on a taxable basis after age 65?</b>              | Yes.  | No.  | No.  |
| <b>Can this account include a debit card you can use to pay for qualified medical expenses?</b> | Yes.  | Yes.   | No.  |
| <b>Do you earn interest on the money in your account?</b>                                       | Yes, the money in your account can earn interest tax-free.  | No.  | No.  |
| <b>When is the money in your account available to you?</b>                                      | As soon as it is deposited into your account.   | The full contribution amount is available on the first day of your plan year.                                  | As soon as it is deposited into your account.  |
| <b>What are the tax advantages?</b>   | Money in your account that is used to pay for qualified healthcare expenses is tax-free.                        | Your contributions are tax-free and reimbursements for qualified healthcare expenses are free of income taxes. | Your contributions are tax-free and reimbursements for qualified healthcare expenses are free of income taxes. |