

Comparing the HSA, Limited Purpose Healthcare FSA, and Dependent Care FSA for 2025

	Health Savings Account (HSA)	Limited Purpose FSA (LPFSA)	Dependent Care FSA (DCFSA)
Who owns the account?	You do. You can take it with you, even if you retire or change jobs or health plans.	Your employer.	Your employer.
Is a certain type of healthcare plan required with this account?	Yes, a High Deductible Health Plan (HDHP). An HSA is tied to a HDHP medical plan.	Yes, a High Deductible Health Plan (HDHP) & a Health Savings Account (HSA).	You do not need to be enrolled in a medical plan or any other healthcare plan.
Who can contribute to the account?	You (through pre-tax payroll contributions or individual tax-deductible contributions), your employer, or both.	You (through pre-tax payroll contributions).	You (through pre-tax payroll contributions).
Is there a maximum annual contribution limit?	Yes, the IRS limit for 2025: \$4,300 for individual and \$8,550 for all other coverages.	Yes, the IRS limit for the LPFSA is currently \$3,300.	Yes, the IRS limit for the DCFSA is currently \$5,000, depending on your tax status.
Are catch-up contributions allowed (for those 55 and older)?	Yes. The 2025 Annual HSA Catch-up contribution is \$1,000.	No.	No.
Does the money in your account carry over from year to year?	Yes.	No, "Use it or Lose it."	No, "Use it or Lose it."
Can you invest the funds in the account?	Yes, if the account balance exceeds \$1,000.	No.	No.
Can the money in your account be withdrawn on a taxable basis after age 65?	Yes.	No.	No.
Can this account include a debit card you can use to pay for qualified medical expenses?	Yes.	Yes.	No.
Do you earn interest on the money in your account?	Yes, the money in your account can earn interest tax-free.	No.	No.
When is the money in your account available to you?	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.
What are the tax advantages?	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.