

HSA vs. Health Care FSA

Understanding the differences

Health savings accounts (HSAs) and flexible spending accounts (FSAs) have some key similarities—contributions to both are exempt from federal income tax, and both may be used to pay for qualified medical expenses.

But there are some major differences between HSAs and FSAs.

HEALTH SAVINGS ACCOUNT

Save what you don't use this year for the future.

Pay for qualified medical expenses in a tax-advantaged way, now through retirement.

HSAs aren't "use-it-or-lose-it," and they generally cover a broader range of qualified medical expenses than flexible spending accounts.

FLEXIBLE SPENDING ACCOUNT

Set aside money you plan to spend this year.

Save pretax dollars and then spend them in the same year on qualified medical expenses.*

Unlike an HSA, generally, you must use all money saved in an FSA in the year in which it was contributed.*

	HSA	FSA
You—not your employer—own your account.	✓	
Contributions you make to your account may be pretax.	✓	✓
Contributions you make to your account are tax deductible.	✓	
The money in your account stays with you, no matter what.	✓	
The account can be good for long-term savings.	✓	
You can invest the money for potential tax-free growth.	✓	
You can spend the money on qualified medical expenses.	✓	✓
If you lose your job, the money can cover your COBRA premiums.	✓	
The account covers your qualified medical expenses in retirement.†	✓	

Ready to get started?

Call a Fidelity HSA service specialist at **800-544-3716**.

Visit [Fidelity.com/HealthSavingsAccount](https://www.fidelity.com/HealthSavingsAccount).

Text "HSA" to **343-898** to get a mobile reminder.





Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

*Your employer's plan can provide either a grace period of up to 2.5 months after the end of the plan year or allow a carryover of up to \$500. Please refer to IRS publication 969 or your specific plan details.

¹With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. See your tax professional for more information on the state tax implications of HSAs.

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