

2023 Health Savings Account (HSA) & Healthcare Flexible Spending Account (FSA) Comparison

	HSA	HEALTHCARE FSA
Additional eligibility criteria	You must be enrolled in a high deductible health plan (HDHP) and meet additional IRS-defined eligibility requirements , including that you cannot be enrolled in Medicare.	None
“Use it or lose it” rule	No. Full balance rolls over year-to-year.	Yes. Up to \$570 of unused funds will roll over to the next plan year—any funds over \$570 are forfeited.
Annual contribution limits	Minimum: \$300 Maximum: \$3,850 individual or \$7,750 family Catch-Up: Additional \$1,000 if age 55 or older	Minimum: None Maximum: \$2,850
University contribution <i>NOTE: Mid-year enrollments or coverage level changes on or after September 1 do not receive IU's contribution (or adjustment to IU's contribution) for the year.</i>	IU makes a lump sum contribution to your HSA each year based on your level of coverage: <ul style="list-style-type: none"> • \$1,300 employee-only coverage • \$2,600 all other coverage levels 	None
Availability of funds	IU's full contribution is available as deposited. Employee contributions are available as they are deposited.	Full contribution is available immediately.
Mid-year contribution changes	Change contribution at any time during the year.	Change contribution only if you experience a corresponding IRS-defined qualifying life event (e.g. marriage or birth)
Interest/investment options	Offers interest earnings and investment opportunities.	None
Claim forms	No claim forms; retain receipts in case of IRS audit.	Must submit claim forms for reimbursement and be able to substantiate purchases made with the IU Benefit Card.
Use of funds	Use funds for IRS-approved healthcare expenses. You are responsible for verifying that use of funds is appropriate. Use funds for non-healthcare expenses after age 65 (you must pay income taxes on those funds).	Use funds for IRS-approved healthcare expenses. Nyhart is responsible for verifying that use of funds is appropriate.
Incurring expenses	Use funds for expenses incurred as far back as the original date the account was opened.	Use funds only for expenses incurred during the plan year (January - December).
Using funds for family members	Use funds for true IRS tax dependents (i.e. spouses, qualified children under age 19 or 24 and going to school full-time)	Use funds for spouse and children through age 25, even those married and/or living away from home

This is only a summary. The entire provisions are contained in the plan booklets, which can be obtained at hr.iu.edu/benefits.
In the event of a conflict with this document, the terms of the plan booklets will prevail.