

ACCOUNT-BASED, TAX-SAVING BENEFIT OPTIONS

Plan comparison chart



Plan type	Health Flexible Spending Account	Dependent Care Flexible Spending Account	Limited Purpose Flexible Spending Account	Health Reimbursement Arrangement	Health Savings Account
Plan requirements	None, but employer must offer qualified health coverage.	None	None	Must be enrolled in employer-sponsored health plan, unless HRA is limited to vision or dental or individual coverage health account (ICHRA).	Must be enrolled in a high deductible health plan and not covered by any other medical plan.
Tax benefit	Contributions and reimbursements are tax-free + employer avoids payroll-related taxes.	Contributions and reimbursements are tax-free + employer avoids payroll-related taxes.	Contributions and reimbursements are tax-free + employer avoids payroll-related taxes.	Employer contributions are tax-free + employer avoids payroll-related taxes.	Contributions are tax-free, interest and investment gains are tax-free and withdrawals are tax-free when used for qualified medical expenses.
Who can make account contributions?	Employee + employer with limitations	Employee	Employee + employer with limitations	Employer	Employer, employee family members + others
Who owns the account?	Employer	Employer	Employer	Employer	Employee/Individual
Will year-end balances carry over to a new plan year?	Yes, with limits if the employer plan document allows	No	Yes, with limits if the employer plan document allows	Yes, if employer plan document allows	Yes
Is the account portable if employee leaves company?	No	No	No	Employer has the option	Yes
What can funds be used for?	Qualified medical, dental or vision expenses	Qualified dependent care expenses (e.g., day care, summer care)	Qualified dental and/or vision expenses	Qualified medical expense defined in employer plan document	Medical, dental and vision expenses, COBRA, retiree medical insurance premiums, LTC premiums or expense