

How is the FSA different from the HSA?

When you enroll in the PPO with HSA, you are eligible to contribute to the Health Savings Account (HSA) in lieu of the traditional FSA. The HSA helps you pay for medical expenses with pre-tax dollars now and in the future. It's like an IRA but for medical expenses — you save on a tax-free basis*, your account balance grows tax-free and it's available to you even after you retire.

Some important points about the HSA:

To participate, you must enroll in the PPO with HSA.

You must participate in a Limited Purpose FSA in place of the Traditional Health Care FSA, if desired.

You cannot participate in any other health plan, including a spouse's plan (your spouse can enroll in his/her own plan).

You cannot have both a Traditional Health Care Flexible Spending Account (FSA) and a Health Savings Account (HSA). Your spouse also cannot have his/her own traditional Health Care FSA.

Once you reach age 65, you are no longer eligible to make contributions to your HSA though you may continue to use any remaining balance.

For 2018, your HSA contributions must be between \$100 and \$3,450 for individual coverage and \$6,900 for all other levels of coverage.

Employees age 55 and older can make additional pre-tax catch-up contributions up to \$1,000 per year.

* The following states do not recognize HSA pre-tax deductions for state income tax: California, Alabama and New Jersey.