

<b>2025</b>	<b><i>Health Reimbursement Arrangement (HRA)</i></b>	<b><i>Health Savings Account (HSA)</i></b>
<b>What is it?</b>	An account set up by the employer to help pay for eligible health care expenses	A savings account that is compatible with a high deductible health plan that you own to help pay for qualified health care expenses
<b>Who owns the account?</b>	The Employer	The Employee
<b>Who is eligible?</b>	All employees enrolled in the plan as set by the employer	Anyone enrolled in a qualified High-Deductible Health Plan (HDHP)
<b>Who may contribute?</b>	Only the Employer	The Employer, You, Family and Others
<b>Tax Treatment</b>	Tax-Free	Tax-Free
<b>Cost of Employer Contributions</b>	Pay for employee utilization	100%, regardless of utilization
<b>Portable after Employment Ends</b>	No	Yes
<b>Medical Expenses Allowed</b>	Unreimbursed medical expenses as defined by IRC 213(d) including health insurance premiums	Unreimbursed medical expenses as defined by IRC 213(d) excluding health insurance premiums
<b>Will the Balance Carry Over into the next plan year?</b>	Depends on Employer and type of HRA	Yes
<b>Can the money be used to Pay for COBRA or Other Premiums?</b>	Yes, If permitted by Employer	Yes, as permitted by IRS Guidelines
<b>Can I use the money for other than qualified eligible health care expenses?</b>	No	Yes at age 65 subject to income tax at withdrawal (<65 additional 20% penalty)
<b>Is the Purchase of Health Insurance Plan Required?</b>	No	Yes, Purchase of HSA-qualified High Deductible Health Plan (HDHP)
<b>Legal Authority</b>	IRS Guidance 2002-45, IRS Code Section 105, and 21st Century Cures Act	Medicare Prescription Drug, Improvement & Modernization Act of 2003, and supplemental IRS guidance
<b>Maximum Annual Contributions</b> Single Family	Determined by Employers	For 2025: \$4,300 \$8,550
<b><i>This document is a summary of current rules as of Dec. 2, 2024</i></b>  <a href="https://www.irs.gov/publications/p969">https://www.irs.gov/publications/p969</a>		<b><i>* Individuals age 55 and over may contribute an additional \$1,000.</i></b> <b><i>Published by the AIA Trust, TheAIATrust.com</i></b>

***Always Consult your tax advisor***