

<b><u>What is an HRA and an HSA?</u></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 2024: \$4,150 \$8,300
<p><b><i>This document is a summary of current rules as of Sept. 18, 2023</i></b>      <b><i>Always Consult your tax advisor *</i></b></p> <p><a href="https://www.irs.gov/publications/p969">https://www.irs.gov/publications/p969</a></p> <p style="text-align: right;">* Individuals age 55 and over may contribute an additional \$1,000.</p> <p style="text-align: right;">Published by the AIA Trust, TheAIATrust.com</p>		