

Topic	Health Reimbursement Arrangement (HRA)	Health Savings Account (HSA)
What is it?	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
Who owns the account?	The Employer	The Employee
Who is eligible?	All employees enrolled in the plan as set by the employer	Anyone enrolled in a qualified High-Deductible Health Plan (HDHP)
Who may contribute?	Only the Employer	The Employer, You, Family and Others
Tax Treatment	Tax-Free	Tax-Free
Cost of Employer Contributions	Pay for employee utilization	100%, regardless of utilization
Portable after Employment Ends	No	Yes
Medical Expenses Allowed	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
Will the Balance Carry Over into the next plan year?	Depends on Employer and type of HRA	Yes
Can the money be used to Pay for COBRA or Other Premiums?	Yes, If permitted by Employer	Yes, as permitted by IRS Guidelines
Can I use the money for other than qualified eligible health care expenses?	No	Yes at age 65 subject to income tax at withdrawal (<65 additional 20% penalty)
Is the Purchase of Health Insurance Plan Required?	No	Yes, Purchase of HSA-qualified High Deductible Health Plan (HDHP)
Legal Authority	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
Maximum Annual Contributions 2022	Determined by Employers, capped	
Single	\$5,450	\$3,650
Family	\$11,050	\$7,300
<i>This document is a summary of current rules as of Nov. 23, 2021</i> A comprehensive list of all 2022 IRS Limits: https://www.irs.gov/pub/irs-drop/rp-20-45.pdf	<i>Always Consult your tax advisor</i>	* Individuals age 55 and over may contribute an additional \$1,000. Published by the AIA Trust, TheAIATrust.com