

## HSA/HRA Comparison for Employer-Sponsored Plan

	<b>HSA</b>	<b>HRA</b>
Who is eligible to participate?	<p>Employees who are covered by a high deductible health plan.</p> <p>The IRS currently defines that as a health plan with a deductible of at least \$1,150 for individuals or \$2,300 for families. The employee cannot be covered under other health plans, cannot be enrolled in Medicare, and cannot be claimed as a dependent on someone else's tax return.</p>	<p>All employees.</p> <p>There are special issues that affect participating principals of employers organized as S Corporations, partnerships, LLCs, and sole proprietors.</p>
Who owns the account?	The employee.	The employer.
Who is eligible to make contributions?	The employee, the employer or both.	Only the employer.
What are the contribution limits?	For 2008, eligible individuals may contribute a maximum of \$2,900 for self-only coverage and \$5,800 for family coverage, regardless of the deductible under the high deductible health plan (HDHP). Catch-up contributions are permitted for individuals 55 years old and older.	The employer is allowed to determine contribution limits.
What are considered covered expenses?	All qualified medical expenses (as defined in Section 213(d) of the Internal Revenue Code), COBRA premiums, health plan coverage while receiving unemployment compensation, Medicare premiums and expenses (no Medigap premiums), and qualified long-term care premiums.	<p>The employer is allowed to define covered expenses.</p> <p>Covered expenses can include all Internal Revenue Code Section 213(d) qualified medical expenses; health insurance premiums for current employees, retirees and COBRA beneficiaries; and qualified long-term care premiums.</p>
May unused balances be rolled over for future plan years?	Yes. The rollover is automatic.	The employer is allowed to define whether all or part of the balance may be rolled over.
Are there requirements as to which type of health plan is offered?	<p>Yes.</p> <p>Employees must be enrolled in a high-deductible health plan. The IRS currently defines that as a health plan with a deductible of \$1,150 or higher.</p>	<p>No.</p> <p>However, most HRAs are offered in tandem with a high-deductible plan.</p>