

PRE-TAX HEALTH PLANS AT A GLANCE

	Health Savings Accounts HSAs	Health Reimbursement Arrangements (EBHRA, ICHRA, LPHRA or QSEHRA)	Flexible Spending Accounts FLEX
Availability	Individuals eligible under 223(c)(1) High Deductible Health Plan for any size group or individual.	Any size group (not available in a partnership, shareholders who own more than 2% stock in a Sub S Corp and members of an LLC)	Any size group (not available to partners in a partnership, shareholders who own more than 2% stock in a Sub S-Corp and members of an LLC). A group health plan must be offered.
Maximum Annual Contributions	\$3,550 for Singles and \$7,100 for Families in 2020 (amount increased annually based on CPI). (In 2021, \$3,600 for Singles and \$7,200 for Families.)	Maximum medical expense reimbursement determined by employer (limited to \$1,800 in EBHRA)	Maximum reimbursement determined by employer is \$2,750 pre-tax contribution limit. This is the maximum deferral by employees for 2020. Employers can match employee's contribution which is covered in IRS Section 213d (as an Excepted Benefit from ACA). Employer contributions cannot exceed the participants contribution. The employee cannot take out employer cash (it's non-cashable). The employer must contribute the appropriate match for all FSA participants. Pre-tax group health premium is unlimited.
Additional Contribution Allowance	Catch up contributions allowed for age 55 and older (\$1,000 since 2009). Tax-free transfers from and HRA and FLEX also allowed – use caution with timing.	Not applicable	Employee Dependent Care FSA \$5,000 maximum contribution for daycare, after school care, day camps, babysitters or <u>elder care</u> . Employer can also contribute to the \$5,000, tax deductible.
Eligible Contributors	Individuals, employers, employees	Employer Only	Employer or employee, payroll deducted
Tax Deductibility- Employer	Contributions are tax-deductible (except for partners or 2% shareholders in an S-Corp)	Reimbursements are tax deductible	Contributions are tax-deductible. Employer contribution to Dependent Care FSA is tax deductible.
Tax Deductibility – Employee	Contributions may be made federally pre-tax if offered through a cafeteria plan or tax deductible at year end. Tax deductible after 1/1/2011 in Wisconsin.	No employee tax deduction (employer sponsored)	Contributions are not taxed. They are pre-tax deferred income.
Fund or Account Ownership	Employee	Employer	Employer
Portable	Yes	Not usually, an employer decision	No
Rollover of Funds	Yes	Employer determines if allowed and can set caps	Up to \$500 carried over into next plan year or 2 ½ month grace period (employer decision). Can only choose one.
Funding Required	Yes	No pre-funding necessary	No pre-funding necessary
Plan Types	High deductible plan required as defined by HSA laws; no copay plans. Preventive Care paid under a modified HRA.	No plan restrictions. Many excepted benefit HRAs, EBHRA, ICHRA, LPHRA, QSEHRA	Not applicable, Section 125 or Full Cafeteria Plan
High Deductible Plan Deductibles – Single	\$1,400 Minimum Deductible in 2020 (\$1,400 in 2021)	No limits	Not applicable
High Deductible Plan Deductibles – Family	\$2,800 Minimum Deductible in 2020 (\$2,800 in 2021)	No limits	Not applicable
Maximum Contribution Equal	Single: \$3,550 maximum in 2020 (\$3,600 in 2021) Family: \$7,100 maximum in 2020 (\$7,200 in 2021)	Not applicable	Not applicable

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Insurance Out of Pocket Maximum	Singles: up to \$6,900 in 2020 (\$7,000 in 2021) Families: up to \$13,800 in 2020 (\$14,000 in 2021) (includes deductible and coinsurance, but not out-of-network costs)	No limits	Not applicable
Rx Copay Allowed	No copays after Jan. 1, 2006 (some preventive Rx eligible in 2007)	Yes, Copays Possible	Eligible
Administration	No administration required	Self administered, insurance company or TPA	Insurance company or TPA
Withdrawals for non-qualified medical expenses	Taxable and subject to 20% penalty (no penalty for over age 65, just tax-like pension) as of 1/1/2011.	Reimbursements only for qualified eligible expenses; employer determines whether to pay after age 65.	Not applicable
Qualified Withdrawals	No tax at any age.	No tax for eligible expenses.	No tax for Flex expenses to limit of deposits.
Other	Cannot use to pay health insurance premium, with certain exceptions including LTC insurance, COBRA, premiums while on unemployment, over age 65, employer sponsored retiree health plans, premiums for Medicare Part A&B, but not for Medicare Supplement Policy.	Options are employer determined. Individual health premiums can be paid, many variations.	Can be used for 1) medical premium, 2) unreimbursed medical, dental, vision, and 3) dependent care, which includes Elder Care if incapable of self care. Unspent Health Care FSA funds can be applied to <u>Cobra premium</u> to end of plan year. Employers can also offer Health Care FSA to <u>employees not on health plan</u> .
Account Pays Un-reimbursed Expenses For:	Health, Dental, Vision (New Preventive benefits as of 1/1/2020)	Usually just Health, Dental and Premiums for limited plans (COBRA premiums as of 1/1/2020) and fixed amount plans.	See 'Other' Above

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