

ULTIMATE HEALTH[®] VS. HEALTH ACCOUNTS: A COMPARISON GUIDE

	HSA	FSA	HRA	Ultimate Health [®]
Covers 213(d) Expenses¹	✓	✓	✗ (typically just for medical)	✓
Employer Funded	✗✓ (employer may contribute limited amount)	✗	✗	✓
Tax Efficient²	✓	✓	✓	✓
Shareholders & Partners Eligible	✓	✗	✗	✓
Class Out Employees	✗ (must offer to all, but enrollment is voluntary)	✗ (must offer to all, but enrollment is voluntary)	✗ (cannot offer to just highly compensated)	✓
Insurance Coverage (Not Just Fixed Funds)	✗	✗	✗	✓
Max Annual (2024)	\$4,150 single \$8,300 family	Capped at \$3,200	No limit (but employers typically impose one)	\$25K, \$50K or \$100K of annual supplemental health insurance coverage

HSA

An employee owned and contributed tax-exempt account to pay for qualified medical expenses. Employee must be enrolled in a qualifying primary health insurance plan. Usually funded through pre-tax salary deduction. An HSA has contribution limits and limits on withdrawals. Funds roll over from year to year. HSAs are portable if you change jobs.

FSA

An employer owned, employee contributed account that allows eligible employees to be reimbursed for qualified medical expenses. Usually funded through pre-tax salary deduction. Nondiscrimination rules apply. FSA has contribution limits. An FSA is a "use it or lose it" account since funds do not roll over from year to year. FSAs are not portable.

HRA

An employer owned and contributed benefit plan that reimburses for qualified medical expenses. Must be integrated with other group health plan coverage. An HRA does not have contribution limits, but the employer must contribute the same amount to each employee because nondiscrimination rules apply. Generally, limits tend to be set to offset some of a high deductible. HRAs are not portable and do not roll over.

ULTIMATE HEALTH[®]

An employer-paid fully-insured supplemental healthcare reimbursement plan. Sits on top of the company's primary health plan for select employee classes; as an excepted benefit plan, it isn't subject to ACA nondiscrimination rules. Ultimate Health offers robust coverage for common primary health insurance plan voids and also expands coverage to what the base health plan does not cover. It is not portable.

¹ 213(d) expenses are healthcare expenses that are allowed as a deduction on your personal tax return as published in IRS publication 502.

² This is not local, state or federal tax advice as each person and company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.