

**Murray State University's 2010 Flexible Spending Account (FSA)  
Compared to the 2010 Health Savings Account (HSA)**

	<b>2010 Optional Flexible Spending Account (FSA)</b>	<b>2010 Optional Health Savings Account (HSA)</b>
<b>Flexible Spending Accounts (FSA's) and Health Savings Accounts (HSA's) General Rules</b>	<p>If in PPO, can only contribution to FSA, not HSA. FSA continues to be available for Standard &amp; Enhanced Plans in 2010.</p> <p>No contribution to FSA from MSU.</p> <p>Can contribute to FSA without being enrolled in PPO.</p> <p>Must contribute all year and cannot cancel.</p>	<p>Only HSA is available for HDHP.</p> <p>MSU contributes \$300 / \$600 (plus \$50.40 to cover \$15.00 initial account set-up and \$2.95 per monthly fees for 12 months) in 2010 for those who open an account &amp; pay minimum of \$5/mo (bi-weekly paid) or \$11/mo (monthly-paid).</p> <p>Must be enrolled in HDHP in order to contribute to HSA.</p> <p>Can stop contributing at any quarter provided 15 days notice is given HR.</p>
<b>FSA/HSA Tax Benefit</b>	<p>Double tax benefit:</p> <ol style="list-style-type: none"> <li>1. Dollars to fund account are deposited before tax.</li> <li>2. Qualified medical expenses are tax free.</li> </ol>	<p>Triple tax benefit:</p> <ol style="list-style-type: none"> <li>1. Dollars to fund account are deposited before tax.</li> <li>2. Qualified medical expenses are tax free.</li> <li>3. Interest earned is tax-free.</li> </ol>
<b>FSA/HSA Withdrawing Funds</b>	Funds must be pledged in order to be withdrawn. i.e., Can utilize entire pledged amount for eligible expenses in January.	Funds must be in account in order to be withdrawn. i.e., Can only withdraw funds if they are in the account.
<b>FSA/HSA Maximum Contribution</b>	Maximum annual contribution is \$5,000.	Maximum 2010 contribution is \$3,050-single / \$6,150-family. \$1,000 catch up for age 55 & up.
<b>FSA/HSA Carryover</b>	Unspent funds are forfeited. No carryover.	Can carryover from one year to the next.
<b>FSA/HSA Portability</b>	No. Employee can only incur claims up to the benefit termination date but has three months from the termination date to file claims.	Yes. Employee takes HSA account upon departure and can utilize the funds at a later time.
<b>Switch between HDHP &amp; PPO</b>	If switch from PPO in 2010 to HDHP in 2011 – Can not contribute to FSA in 2011.	Switch from HDHP in 2010 to PPO in 2011 – Can not contribute to HSA in 2011 but can spend HSA funds in 2011.
<b>Who substantiates claims?</b>	Administrator substantiates all medical expenses	Employee maintains supporting tax records and keeps receipts of all expenditures.
<b>Can an FSA or HSA be used to pay for medical care for a family member?</b>	Yes. FSA funds may be used to pay for the qualified medical expenses of yourself, your spouse or an eligible dependent without tax penalty.	Yes. HSA funds may be used to pay for the qualified medical expenses of yourself, your spouse or an eligible dependent without tax penalty.
<b>Can I pay my health insurance premiums with an HSA or FSA?</b>	No. FSA funds can not be used for premiums.	HSA funds may be used to pay health insurance premiums when collecting Federal or State unemployment benefits, or when COBRA continuation coverage is used through a former employer or retiree medical insurance, but not a Medicare supplement.