

HSA vs. Health Care FSA

Understanding the differences

Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs) have some key similarities—contributions to both are exempt from federal income tax, and both may be used to pay for qualified medical expenses.

But there are some major differences between HSAs and FSAs.

Health Savings Account

- Set aside money for qualified medical expenses today or in years to come.
- HSA funds aren't "use it or lose it." They're yours forever and can even be invested for future use.

Flexible Spending Account

- Set aside money for qualified medical expenses that you plan to spend this year.
- FSAs let you save pretax dollars* to spend within the year they were contributed or they are forfeited.†

	HSA	FSA
You must be enrolled in an HSA-eligible health plan.	✓	
You—not your employer—own your account.	✓	
100% of your unused funds carry over year to year.	✓	
Contributions you make to your account may be pretax.	✓	✓
After-tax contributions you make to your account may be tax deductible.	✓	
The money in your account stays with you, no matter what.	✓	
The account can be good for long-term savings, even in retirement.	✓	
You can invest the money for potential tax-free growth.	✓	
You can spend the money on qualified medical expenses.	✓	✓
If you lose your job, the money can cover your COBRA premiums.	✓	

Ready to get started?

Call a Fidelity HSA® service specialist at **800.544.3716**.

Visit **Fidelity.com/HSA**.



Investing involves risk, including risk of loss.

*With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. See your tax professional for more information on the state tax implications of HSAs.

†Your employer's plan can provide either a grace period of up to 2.5 months after the end of the plan year or allow a carryover of up to \$500. Please refer to IRS Publication 969 or your specific plan details.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

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