

FJATP Federal Judges Association

BENEFITS INFORMATION



FSA's or HSA's Tax Savings Options

Paying for health care expenses can be stressful but planning will help you save on taxes while keeping reserve money available for health care costs. **Flexible Savings Accounts (FSA)** and **Health Care Savings Accounts (HSA)** offer a convenient way to pay for health care costs and save on taxes. While they appear to be similar, they are not. Understanding the nuances and differences can go a long way in providing a valuable benefit.

Flexible Savings Account – is an employer-sponsored savings account for health care expenses. You are not taxed on the money put into the FSA. You can use the account to pay for qualified out of pocket health care costs such as medical, dental, and vision care expenses. However, you cannot stockpile money in the account from year to year, and you may only carry over \$550 each year. In 2021, you can contribute \$2,750 in your FSA.

Health Savings Account – is an employee-owned pre-tax benefit account for health care expense. The account is funded by you and your health plan and used to pay for eligible medical, dental, and vision care expenses. Unlike an FSA, you can stockpile money in the account. You must be enrolled in a High Deductive Health Plan (HDHP) to participate. In 2021, you can contribute up to \$3,600 (self) or \$7,200 (family). Employees age 55 and older may make an additional \$1,000 “catch-up” contribution.

Both types of accounts can save you money because you do not have to pay taxes on the amount deferred to the account. Using these accounts requires planning to recap the benefits.

Are you maximizing these benefit offerings? We can help you determine which program is best suited for you and how to best maximize the offerings.

Looking for assistance? We can help.

The FJA Pay & Benefits Committee offers our members a valuable benefit.

A *Complimentary* FSA or HSA Maximization Consultation.

Get the information you need to make the best decisions for you and your family.

Learn more: Visit the member benefits section at www.federaljudgesassoc.org or email our insurance consultant Jim De La Torre at jdelatorre@fedadvantage.com or call 415.202.6370

*This service is brought to you by the Pay & Benefits Committee as a supplement to any service provided by the Administrative Office. You may wish to confer with your personal financial consultant for additional advice.