



Comparison of Health Care Accounts 2023

	Health Savings Account (HSA)	Health Reimbursement Arrangement (HRA)	Health Flexible Spending Account (FSA)	DCAP Dependent Care Assistance Program (DCAP)	Limited Purpose Flexible Spending Account (LPFSA)
Account ownership	Employee/ Individual	Employer (held in employee's name)	Employer (held in employee's name)	Employer (held in employee's name)	Employer (held in employee's name)
Deposits made by	Employer, employee or both	Employer	Employer, employee or both	Employer, employee or both	Employer, employee or both
Separate account	Required; IRA-type account	Not required; paid from employer assets	Not required; paid from employer assets	Not required; paid from employer assets	Not required; paid from employer assets
Expenses covered	Medical, dental, vision, prescription and over-the-counter expenses. COBRA, retiree medical insurance premiums, LTC premiums or expenses <i>Reference: IRC § 213(d)</i>	Medical, dental, vision, prescription and over-the-counter expenses. Post-tax insurance premiums <i>Reference: IRC § 213(d)</i>	Medical, dental, vision, prescription and over-the-counter expenses <i>Reference: IRC § 213(d)</i>	Caregiver costs for dependent care expenses while at work <i>Reference: IRC § 129</i>	Typically limited to qualifying dental and vision expenses only; can also cover post-deductible medical and prescription expenses <i>Reference: IRC § 213(d)</i>
Accompanying plan requirements	Must be covered by qualified HDHP and not covered by any plan that covers medical expenses under the deductible	Generally, must be integrated with group medical plan meeting health care reform requirements	None	None	None, though usually paired with HSA and qualified HDHP
Contribution limits	Calendar year limits: \$1,500 \$3,000	None	\$3,050 per plan year with potential for annual inflation increases. The limit is per person. Employers may elect a lower contribution limit.	\$5,000 per calendar year if single or married filing jointly, \$2,500 if married filing separately	\$3,050 per plan year with potential for annual inflation increases. The limit is per person. Employers may elect a lower contribution limit.
Portability	Full portability required	Portability allowed at employer's discretion	None	None	None
Rollover	Full rollover required	Rollover allowed at employer's discretion	\$500 rollover allowed at employer's discretion	None	\$500 rollover allowed at employer's discretion
Funds availability	As deposits are credited	As deposits are credited; may be credited in a lump sum	Full annual election available on first day of coverage (uniform coverage)	As deposits are credited	Full annual election available on first day of coverage (uniform coverage)
Claim adjudication	Not allowed; though participants must retain receipts	Required	Required	Required	Required



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Compatibility with other savings accounts	May be paired with HRA, FSA if they are limited to amounts over deductible, or to dental/ vision only; may be paired with DCAP, PRA	May be paired with FSA, DCAP, PRA. If paired with an HSA, must be limited to amounts over the deductible or to dental/vision only	May be paired with HRA, DCAP, PRA. If paired with an HSA, must be limited to amounts over the deductible or to dental/vision only	May be paired with HSA, HRA, FSA, PRA	May be paired with HSA to stay compliant with IRS regulations. Limited to amounts over the deductible and/or to dental/vision only.
Employer contributions	Can be made on behalf of current employees (account extends to spouse and dependents)	Can be made on behalf of current and former employees, their spouses and dependents, and spouses and dependents of deceased employees	Can be made on behalf of current employees (account extends to spouse and dependents)	Can be made on behalf of current employees (account extends to spouse and dependents)	Can be made on behalf of current employees (account extends to spouse and dependents)
ERISA plan	Generally no	Yes	Yes	No	Yes
COBRA	Does not apply	Applies	Applies	Does not apply	Applies
Retirees	Can be covered	Can be covered	Cannot be covered	Cannot be covered	Cannot be covered
Debit card usage	Yes	Yes	Yes	No	Yes
Contributions for Medicare participants	Contributions cannot be made once an individual has Medicare coverage.	No limits on contributions	No limits on contributions	No limits on contributions	No limits on contributions
Usage for ineligible expenses	Allowed. Amounts included in income; and subject to 20% penalty unless after account beneficiary's death, disability or attaining age 65	Not allowed	Not allowed	Not allowed	Not allowed
Distributions for expenses incurred after individual is no longer eligible	Can be made	Can be made at employer's discretion, or if COBRA is elected	Can be made if COBRA is elected	Can be made for remainder of plan year at employer's discretion	Can be made if COBRA is elected
Coverage for sole proprietors, partners and 2% or more S-corp owners	Yes, but not eligible to participate in pre-tax cafeteria plan used to fund HSA in the workplace	Cannot be covered	Cannot be covered	Cannot be covered	Cannot be covered

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A separate Table of Limits is provided for each of the following:

- Cafeteria Plans
- 401(k) Plans
- Consumer-Driven Health Care
- Fringe Benefits
- FICA Taxable Wage Base and Rates



Limits and Thresholds 2022 & 2023

Health FSAs	2023	2022
Maximum Health FSA Salary Reductions Code §125	\$3,050	\$2,850
Maximum Carryover to Next Plan Year IRS Notice 2020-33	\$610	\$570
Standard Mileage Rate Code §§105, 213, 274(d). Treas. Reg. §1.274-5 (For travel to obtain medical)	TBA	\$.18/\$.22 *
DCAPs	2023	2022
Maximum DCAP Amount Code §§129 and 21 Unless Married Filing Separately	\$5,000	\$2,500
If Married Filing Separately	\$5,000	\$2,500
Deemed Income of Spouse Incapable of Self-Care or Full-Time Student Code §§129 and 21		
With 1 Qualifying Individual	\$250/mo.	\$250/mo.
With 2 or More Qualifying Individuals	\$500/mo.	\$500/mo.
HSAs	2023	2022
HDHP Minimum Annual Deductible Code §223(c)		
Self-Only	\$1,500	\$1,400
Family	\$3,000	\$2,800
HDHP	2023	2022
HDHP Out-of-Pocket Maximum Code §223(c)		
Self-Only	\$7,500	\$7,050
Family	\$15,000	\$14,100

HSA Maximum Contribution Limit Code §223(b) Self-Only Family	\$3,850 \$7,750	\$3,650 \$7,300
HSA Catch-Up \$1,000 Contribution Limit Code §223(b)	\$1,000	\$1,000
Adoption Assistance Maximum Exclusion for Employer-Provided Adoption Assistance Code §137	\$15,950	\$14,890
Adoption Tax Credit Limit Code §23 Modified Adjusted Care	\$15,950	\$14,890
DCAPS	2023	2022
Maximum DCAP Amount Code §§129 and 21 Unless Married Filing Separately If Married Filing Separately Deemed Income of Spouse Incapable of Self-Care or Full-Time Student Code §§129 and 21	\$2,500 \$5,000	\$2,500 \$5,000
With 1 Qualifying Individual	\$250/mo.	\$250/mo.
With 2 or More Qualifying Individuals	\$500/mo.	\$500/mo.
HSAs	2023	2022
HDHP Minimum Code §223(c) Self-Only Family	\$1,500 \$3,000	\$1,400 \$2,800
Gross Income Limits Code §§137 and 23 Maximum Exempt from Phased Reduction of Exclusion and Credit Maximum Allowable for Exclusion and Credit	\$239,230	\$279,230
Prohibited Group: Nondiscrimination Tests	2023	2022
Highly Compensated Employee Dollar Threshold Code §414(q) Key Employee Dollar Thresholds Code §416(i)	\$150,000 \$215,000	\$135,000 \$200,000
Officer Group More-Than-1% Owner	\$150,000	\$150,000
401(k) Plan Limits and Thresholds	2023	2022
Annual Dollar Limit on Includible Compensation Code §401(a)(17)	\$330,000	\$305,000

HCEs and Key Employees Highly Compensated Employee Dollar Threshold Code §414(q)	\$150,000	\$135,000
Key Employees Dollar Thresholds Code §416(i) Officer Group	\$215,000	\$200,000

* The elective deferral limit also applies to 403(b) contracts, 457 plans, and SARSEPs under Code §§402(g), 457(e), and 414(v).

HSA HDHP Minimum self only	\$3,850	\$3,650
minimum deductible	\$1,500	\$1,400
maximum out of pocket	\$7,500	\$7,050
Deductible Code §223(c)		
Self-Only	\$1,500	\$1,400
Family	\$3,000	\$2,800
HSA Maximum Contribution Limit Code §223(b)		
Self-Only	\$3,850	\$3,650
Family	\$7,750	\$7,300
HSA Catch-Up Contribution Limit Code §223(b)	\$1,000	\$1,000
EBHRAs	2023	2022
Treas. Reg. §54.9831-1(c)(3)(viii) Maximum Newly Available Benefit Amount	\$1,950	\$1,800
QSEHRAs	2023	2022
Code §9831		
Single	\$5,850	\$5,450
Family	\$11,800	\$11,050
Prohibited Group: Nondiscrimination Tests	2023	2022
Highly Compensated Employee Dollar Threshold Code §414(q)	\$150,000	\$135,000
Key Employee Dollar Thresholds Code §416(i)	\$215,000	\$200,000
Adoption Assistance	2023	2022
Maximum Exclusion for Employer- Provided Adoption Assistance Code §137	\$15,950	\$14,890
Adoption Tax Credit Limit Code §23	\$15,950	\$14,890

Modified Adjusted Gross Income Limits Code §§137 and 23		
Maximum Exempt from Phased Reduction of Exclusion and Credit	\$239,230	\$223,410
Maximum Allowable for Exclusion and Credit	\$279,230	\$263,410
Highly Compensated Employee Dollar Threshold Code §414(q)	\$150,000	\$135,000
Company Car Benefits	2023	2022
Cents-Per-Mile Equivalent Treas. Reg. §1.61-21(e) Cents-Per-Mile	TBA	\$.585
FMV Threshold Treas. Reg. §1.61-21(e)	TBA	\$56,100
Standard Business	TBA	\$51,100
Mileage Rate Code §274(d); Treas. Reg. §1.274-5	TBA	\$.585/\$.625 *
FMV Threshold for Income Inclusion Treas. Reg. §1.280F-7(a)	TBA	\$56,000
Discounts	2023	2022
Highly Compensated Employee Dollar Threshold Code §414(q)	\$150,000	\$135,000
Educational Assistance	2023	2022
Maximum Income Exclusion Code §127(a)	\$5,250	\$5,250
Highly Compensated Employee Dollar Threshold Code §414(q)	\$150,000	\$135,000
Group-Term Life Insurance	2023	2022
Key Employee Dollar Thresholds Code §416(i)	\$215,000	\$200,000
Officer Group More-Than-1% Owner	\$150,000	\$150,000
Moving Expense Benefits	2023	2022
Standard Mileage Rate Code §274(d); Treas. Reg. §1.274-5 (For deductible moving expenses)	TBA	\$.18/\$.22

	2023	2022
Fringe Benefits		
Parking Code §132(f)	\$300/mo.	\$280/mo.
Transit Passes & Vanpooling (combined)	\$300/mo.	\$280/mo.

* Rate is \$.585 from January through June 2022 and \$.625 from July through December 2022.

† For years after 2017 and before 2026, the applicable rate may be used to determine moving expense deductions, and to exclude moving expense reimbursements, only for certain moves by members of the U.S. Armed Forces on active duty.

‡ Rate is \$.18 from January through June 2022 and \$.22 from July through December 2022.

FICA Taxable Wage Base	2023	2022
Social Security Maximum	\$160,200	\$147,000
Taxable Earnings Employer Tax Rate	6.2%	6.2%
Employee Tax Rate	6.2%	6.2%
Medicare Maximum Taxable Earnings Employer Tax Rate	No limit	1.45%
Employee	1.45%	1.45%