

CDA Comparison

Consumer Driven Account (CDA) Type	Health Savings Account (HSA)	Health Reimbursement Arrangement (HRA)	Health Care Flexible Spending Account (FSA)
Description	<p>Savings account established for the purpose of paying current or future medical expenses.</p> <p>Contributions can be made by the account holder and / or the employer.</p>	<p>Employer funded account to reimburse employees for eligible medical expenses. Employee contributions are not permitted.</p>	<p>Employee funded account used to reimburse eligible medical expenses. Employer contributions are permitted.</p>
Account Ownership	Individual / Employee	Employer	Employer
Who can open the account?	<p>Any individual that meets the eligibility requirements.</p> <p>This does not have to be an employment-based account.</p>	Employers on behalf of its current and/or former employees.	<p>Employers on behalf of its employees.</p> <p>Former employees eligible for COBRA</p>
Who can contribute to the account?	Account holder and / or employer	Employer	Employee and/or employer



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Who is Eligible	<ol style="list-style-type: none"> 1. Must be covered by a qualified high deductible health plan (HDHP). 2. Must not be covered by any other plan that is not a qualified HDHP. 3. Must not be entitled to Medicare. 4. Must not be claimed as a dependent on another person's tax return. 	<ol style="list-style-type: none"> 1. Current and / or former employees (coverage may also be elected to cover spouse and dependents). 2. Owners of C-Corporations. 	<ol style="list-style-type: none"> 1. Current employees (coverage may also be elected to cover spouse and dependents). 2. Former employees who are COBRA - eligible. 3. Owners of C-Corporations.
Who is Not Eligible?	<p>Contributions cannot be made or received by anyone that fails to meet the criteria for eligibility, but funds already in the account can be withdrawn tax-free by the account holder and / or their spouse/dependents for qualified medical expenses.</p>	<p>Anyone that is considered self-employed such as sole proprietors, partners in partnerships and more than 2% shareholders of S-Corporations. In some circumstances, the spouse and other family members of the self-employed individual may not be able to participate.</p>	<p>Anyone that is considered self-employed such as sole proprietors, partners in partnerships and more than 2% shareholders of S-Corporations. In some circumstances, the spouse and other family members of the self-employed individual may not be able to participate.</p>

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Must the account be paired with a health plan?	Contributions can only be made or received while enrolled in a qualified HDHP.	Some HRAs require enrollment into the group major medical plan.	Employer must offer a health plan to employees to meet the definition of an Excepted Benefit. No health plan needs to be offered with limited purpose Health Care FSAs.
Tax Advantages (Individual)	<ol style="list-style-type: none"> 1. Pre-tax / Tax-deductible contributions. 2. Tax-deferred growth. 3. Tax-free distributions for qualified medical expenses. 	Reimbursements are tax-free.	<ol style="list-style-type: none"> 1. Pre-tax contributions via salary reduction. 2. Reimbursement are tax-free.
Tax Advantages (Employer)	<ol style="list-style-type: none"> 1. Contributions are tax-deductible. 2. Contributions are not subject to payroll taxes 	<ol style="list-style-type: none"> 1. Reimbursements are tax-deductible. 2. Reimbursements are not subject to payroll taxes. 	<ol style="list-style-type: none"> 1. Employer contributions are tax-deductible. 2. Reimbursements (including employee salary reductions) are not subject to payroll taxes.
2018 Annual Contribution Limits	\$3,450 for individuals, \$6,900 for families, \$1,000 catch-up contribution for people age 55 and older.	Determined by the employer.	IRS limit is \$2,650 for employee salary reductions, but employers can set lower limits if they choose. Some restrictions also apply to employer contributions.



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Subject to Uniform Coverage	No.	No.	Yes.
Do funds carryover?	Yes, and there are no limits on the carryover accumulation.	Determined by the employer.	IRS limit is \$500 per year, but employers don't have to permit carryover or can implement a lower threshold if they choose.
Eligible Expenses	Defined by IRS Code Section 213(d). Reference IRS Publication 502 for a partial list of qualified expenses.	Employer determines the eligible expenses and can allow for reimbursement of any expense defined by IRS Code Section 213(d).	Employer determines the eligible expenses and can allow for reimbursement of any expense defined by IRS Code Section 213(d).
Non-Eligible Expenses	Subject to income taxes and a 20% penalty for people under age 65. Only subject to income taxes if over age 65.	Funds cannot be used for ineligible expenses.	Funds cannot be used for ineligible expenses.
Subject to COBRA	No, but accounts are portable.	Yes.	Circumstances vary.

