

# CDA PLAN COMPARISON

	FSA	Traditional HRA	HSA
Who Can Use	Any size group that offers a group health plan (Excludes Partners, more than 2% Stockholders in Sub S Corp. and LLC Members)	Any size group that offers a group health plan (Excludes Partners, more than 2% Stockholders in Sub S Corp. and LLC Members)	Individuals & any size group
Maximum Dollar Contribution	Medical Reimbursement limit set annually by the IRS \$5,000 for Dependent Care - increasing to \$7,200 for plans that begin on or after 1/1/26	Determined by Employer	Limit set by federal guidelines for single/family (CPI rated annually)
Who Can Contribute	Employee primarily, but Employer can also fund	Employer only	Individuals, Employers & Employees (or both)
Tax Deductible/ Tax Free	Yes: Employer/Employee	Yes: Employer/Employee	Yes: Employer/Employee
Who Owns The Account	Employer	Employer	Employee
Portability	No	No	Yes
Rollover	\$660 Medical Account carryover from 2025 to 2026 (Employers adoption choice)	Yes, however, not required	Yes
Funding	Per pay period by employee	Funded when claim is paid	Funded dollars
Health Plan Required	Yes or company sponsored health plan	Plan design dependent	Aggregated high deductible-No co-pays on office visits or Rx
Section 125 FSA	N/A	No restrictions	Premium, dependent care, vision & dental expenses. Medical in excess of IRS set deductible
Minimum Deductibles	N/A	No restrictions	Set by federal guidelines annually
Maximum Out Of Pocket	N/A	No restrictions	Set by federal guidelines annually (Out of Network not included)
Claims Substantiation	Required	Required	No, Employee's Responsibility
Non-Qualified Withdrawals	Each claim is adjudicated to meet IRC Section 213 (d)	Qualified expenses only. Employer determines past age 65 payments	Taxable plus 20% penalty until the age of 65
Eligible Expenses	IRC Section 213 (d) expenses, Employer can not restrict	IRC Section 213 (d) expenses, Employer can not restrict	IRC Section 213 (d) expenses, Employer can not restrict



IRC Section 213 (d) expenses: <https://www.basiconline.com/blog/fsa-eligible-expenses/>

Visit [www.basiconline.com/regulations](https://www.basiconline.com/regulations) for current IRS maximum dollar contributions.

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