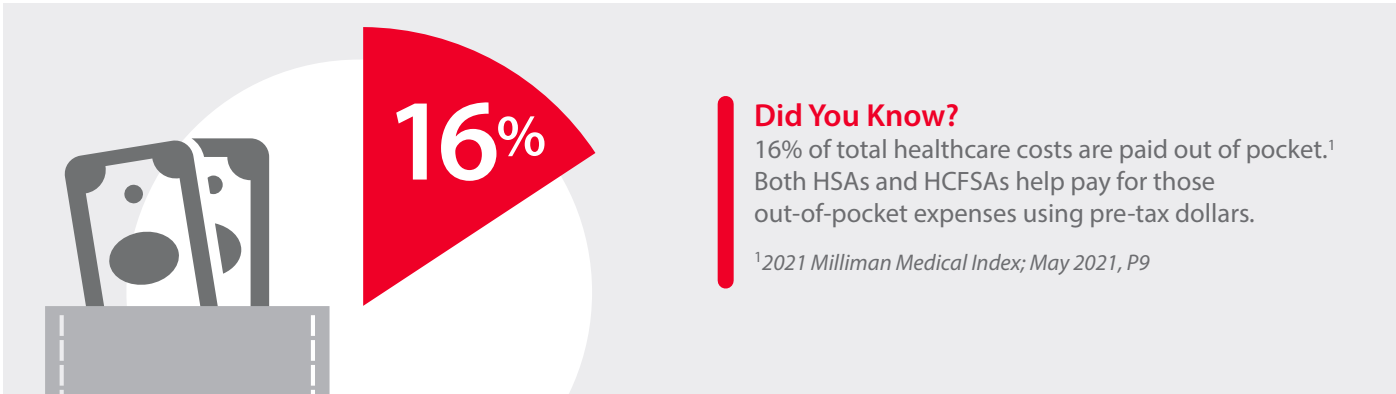


Differences in HSAs and Healthcare FSAs

Health Savings Accounts (HSAs) and Healthcare Flexible Spending Accounts (HCFSAs) are common types of reimbursement accounts offered by American Fidelity.

These accounts allow you to set aside money for eligible medical expenses, while reducing your overall tax burden.

There are significant differences between these accounts. With an HSA, you own the account and can take it with you wherever you go, with funds that you can't lose. Also — unlike a HCFSAs — your funds are generally available in your account only as contributions are made, instead of from the beginning of the plan year.



HSA

HCFSAs

Eligibility Requirements

Must have a qualified HDHP and no other disqualified health plan.

Must be eligible under the terms of their employer's plan.

Availability of Funds

Funds are available as contributions are made.

The full election amount is available up front at the beginning of the plan year.

Changing Contribution Amounts

May change at any point during the year, subject to plan provisions.

May be adjusted at open enrollment or with a qualifying change in employment or family status.

Rollover

Any unused balance always rolls over to the next plan year.

With a few exceptions, HCFSAs are "use or lose" and you forfeit any unused balance at the end of the plan year.

Connection to Employer

It's your account. You can take it with you wherever you go.

Generally, you'll lose your HCFSAs with a change in employment.

Effect on Taxes

Contributions may be taken out of your paycheck pre-tax. Growth and distributions for eligible expenses are tax free.

Contributions are taken out of your paycheck pre-tax. Distributions are tax free for eligible expenses.