



# Open Enrollment

## It's Your Choice!

### Understanding the Benefits and Differences of HSAs and FSAs:

Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs) both help you reduce your taxable income by putting money away for healthcare expenses. However, there are some major differences between the two.

An FSA allows you to elect at the beginning of a plan year the total that you want to set aside from your pay for the whole plan year to spend on, IRS-qualified healthcare expenses. The tax-exempt funds are saved and spent on a year-by-year basis. This is why they are referred to as "use-it-or-lose-it" accounts. FSAs are great for saving funds you know you'll use by the end of the plan year.

An HSA is also to be used for IRS-qualified healthcare expenses, but it is a longer-term account. HSAs are available to anyone covered by an IRS-qualified high deductible health plan (HDHP). As long as you are covered by an HDHP, you can contribute to your HSA throughout the year in whatever increments you choose, up to an annual maximum.

The HSA funds stay with you, even if you leave the HDHP plan, until you spend them – including through retirement. And after age 65, you can use the funds for anything at all. You won't pay tax on IRS-eligible healthcare expenses, but any other expenses will be taxed as income.

#### Health Savings Account (HSA):

- Ownership:** You own the HSA.
- Eligibility:** You must be enrolled in an HSA-qualified high-deductible health plan (HDHP).
- Portability:** Funds stay with you, even if you leave your employer.
- Rollover:** Funds do not expire and carry over from year to year.
- Investments:** You can invest HSA funds for potential growth.
- Triple Tax Advantage:** Contributions are pre-tax, investment earnings are tax-free, and withdrawals for qualified medical expenses are tax-free.

#### Flexible Spending Account (FSA):

- Ownership:** Your employer owns the FSA.
- Eligibility:** Available with most group health plans, regardless of the deductible level.
- Portability:** Funds are not portable and typically cannot be carried to a new employer.
- Rollover:** Most FSA funds must be used within the plan year; some plans may allow a limited amount to roll over or offer a grace period.
- Investments:** You cannot invest FSA funds.
- Tax Advantage:** Contributions are pre-tax, which lowers your taxable income.



# Updated 2026 Contribution and Coverage Limits

## Health Savings Account (HSA):

Effective January 1, 2026, HSA maximum contribution amounts for the 2026 plan year will increase for individual plans by \$100 and for family plans by \$200. Visit the [MyBenefits.MyFlorida.com](https://MyBenefits.MyFlorida.com) website for updated amounts.

2026 Maximum Contribution Amount includes the state contribution and employee payroll contribution.

HSA Annual Maximum Contribution Amount for 2026	
Individual	\$4,400 (increase of \$100)
Family	\$8,750 (increase of \$200)
Catch Up (Age 55+)	\$1,000 (no increase)

## FSA Dependent Care:

Effective January 1, 2026, Dependent Care FSA maximum contribution amounts for the 2026 plan year will increase for both Single and Married; limits are based on tax filing status.

Visit the [MyBenefits.MyFlorida.com](https://MyBenefits.MyFlorida.com) website for updated amounts.

Dependent Care FSA Annual Maximum Contribution Amount for 2026	
Single OR Married, filing jointly	\$7,500 (increase of \$2,500)
Married, filing separately	\$3,750 (increase of \$1,250)
Claims Filing Deadline	April 30, 2026

## How Much Can You Save:

Contribution/Pay	Annual Contribution	Tax Savings (22%)	Net Cost After Tax	Available January
\$25.00	\$600.00	\$132.00	\$468.00	\$600.00
\$35.00	\$840.00	\$184.80	\$655.20	\$840.00
\$45.00	\$1,080.00	\$237.60	\$842.40	\$1,080.00
\$50.00	\$1,200.00	\$264.00	\$936.00	\$1,200.00

## How These Accounts Help You & Key Benefits:

- Pre-tax Contributions: Save on federal taxes (Florida has no state income tax).
- Immediate Access: Full annual election amount is available on January 1, 2026.
- Budget-Friendly: Helps manage planned and unexpected medical costs.
- Eligible Expenses: Includes copays, prescriptions, dental work, eyeglasses, and more.
- Peace of Mind: Funds are ready when you need them - no waiting.



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