UC's tax savings accounts: Know your options

Features	Health Savings Account (HSA)	Health Flexible Spending Account (Health FSA)	Limited Purpose Flexible Spending Account (LPFSA)	Dependent Care Flexible Spending Account (DepCare FSA)
Eligibility	Employees and non-Medicare retirees in the HealthSavings+	Employees who are eligible for any level of UC Faculty/Staff benefits, the Postdoctoral Scholars Benefit Plan, or are Medical Residents — except Faculty/Staff who enroll in HealthSavings+	Employees who meet ALL of the following criteria: • Are eligible for the Faculty/Staff Benefits program • Participated in the Health FSA during a plan year • Have a carry-over balance greater than $25 at the end of that plan year • Enrolled in the HealthSavings+ plan at the start of the following plan year	Employees who are eligible for any level of UC Faculty/Staff benefits, the Postdoctoral Scholars Benefit Plan, or are Medical Residents
How to Enroll	Automatically enrolled after enrolling in HealthSavings+ and meeting the Customer Identification Program requirements	Employees can elect during a period of initial eligibility (triggered by, for example, new hire or certain qualifying life events) or during open enrollment	Automatically enrolled	Employees can elect during a period of initial eligibility (triggered by, for example, new hire or certain qualifying life events) or during open enrollment
Third-party Administrator	HealthEquity	WEX Health	WEX Health	WEX Health
Contribution Limit	2027: $4,500 (individual) and $9,000 (family), including UC contribution Each member aged 55 and older can contribute an extra $1,000 to the HSA for the year	2027: $3,400	N/A; participants cannot contribute to this account	$7,500 ($3,200 for Highly Compensated Employees who earned more than $160,000 in 2026 PY)
Employer Contribution	2027 up to $750 (individual) and up to $1,500 (family), pro-rated for mid-year enrollments	N/A	N/A	N/A
Funds Availability	Balance in your account may be claimed at any time	Total annual election amount is available on day one of your participation and may be claimed until the deadline for the plan year	Prior year's Health FSA remaining balance is available in the first week of January, through the deadline for the plan year	The balance in your account may be claimed for eligible expenses until the deadline for the plan year
Eligible Individuals	Funds can be utilized for eligible expenses for you, your spouse, and eligible tax dependents*	Funds can be utilized for eligible expenses for you, your spouse, and eligible tax dependents	Funds can be utilized for eligible expenses for you, your spouse, and eligible tax dependents	Funds can be utilized for eligible expenses for your children under age 13 and eligible adult tax dependents incapable of self-care
Eligible Expenses	Eligible medical, dental, and/or vision expenses as defined by the IRS	Eligible medical, dental, and/or vision expenses as defined by the IRS	Eligible dental, vision, and certain preventive care expenses, as defined by the IRS	Expenses for dependent care (e.g. child care, daycare, certain summer camps, eldercare for eligible dependent adults)
Medical Expenses Allowed	Yes, unreimbursed medical expenses as defined by IRC 213(d); generally, no health insurance premiums**	Yes, unreimbursed medical expenses as defined by IRC 213(d); no health insurance premiums	Only for certain preventive care items or services, as defined by the IRS	No
Tax Advantages	Yes; contributions are pre-tax and tax free*** when used for qualified medical expenses	Yes; contributions are pre-tax and tax free when used for qualified medical expenses.	Yes; contributions are pre-tax and tax free when used for qualified medical expenses.	Yes; contributions are pre-tax and tax free when used for qualified dependent care expenses.
Carryover	Yes, unused funds roll over year to year No deadline to submit claims or request reimbursements	You may carry over up to TBA in unused funds to the next plan year. If you choose not to enroll in the 2028 Health FSA, any unused funds under $25 will be forfeited. You'll lose any money over the carryover amount of TBA (or under $25 if you do not enroll in the 2028 Health FSA) that you haven't spent on eligible expenses by December 31, 2027.	No carryover. Use-It-or-Lose-It; any funds unclaimed by the end of the plan year will be forfeited	A grace period allows extra time beyond the end of the plan year to incur claims. For example, 2027 plan year participants have till March 15, 2028, to incur eligible expenses for reimbursement. Any funds unclaimed by the end of the grace period will be forfeited.
Investment Options	Yes, for balances exceeding $1,000	No investment options	No investment options	No investment options
Ownership	The account is owned by the employee. Employees have access to any unused funds after leaving UC and during retirement. It can be bequeathed to a named beneficiary.	Expenses incurred after the employee leaves UC or otherwise becomes ineligible for participation cannot be reimbursed. However, employees are eligible to continue Health FSA coverage through COBRA if their account is underspent at the time of the qualifying event, such as termination of employment. Funds not claimed by the deadline for the plan year are forfeited.	Expenses incurred after the employee leaves UC or otherwise becomes ineligible for participation cannot be reimbursed. Funds not claimed by the deadline for the plan year are forfeited. LPFSA is not eligible for COBRA continuation.	Expenses incurred after the employee leaves UC or otherwise becomes ineligible for participation cannot be reimbursed. Funds not claimed by the deadline for the plan year are forfeited. DepCare is not eligible for COBRA continuation.

*Refer to Publication 969 and the IRS website to see the definition of an eligible individual.
**Refer to Publication 502 for qualified expenses.
***There are a few states like California that do not recognize HSAs as tax free. HSAs are not taxed at the federal income level.