



ACCOUNT COMPARISON: HRA versus HSA July 1, 2025 - June 30, 2026

	HRA	HSA
Definition	A health reimbursement arrangement (HRA) is an account set up and funded solely by the RCAB Health Benefit Trust (the “Trust”) to help you pay for qualified out-of-pocket expenses, such as for medical, dental, vision, and prescriptions costs.	A health savings account (HSA) is an account that is automatically set up by the RCAB Health Benefit Trust if you are enrolled in the High Deductible Health Plan (HDHP). An HSA allows you to set aside tax-free dollars to pay for qualified expenses and helps offset the higher deductible in the HDHP.
Who funds the account?	The Trust funds your HRA account once you complete specified wellness activities.	You may contribute to the HSA through pre-tax payroll deductions. The HSA will also be funded by the Trust once you complete specified wellness activities.
Who “owns” the account?	The RCAB Health Benefit Trust	You
Who is eligible?	Employees enrolled in either the RCAB Enhanced or Basic Health Plans	Employees enrolled in the RCAB HDHP
Who contributes to the account?	Only the Trust	You and the Trust
Do unused amounts carry over to the following year?	Yes	Yes
Any limits on contributions?	\$1,000 per enrolled employee and spouse per Plan Year	For calendar year 2025, the limits are \$4,300 for Individual/\$8,550 for Individual+1 or Family coverage. Participants (age 55+) can contribute \$1,000 more as “catch-up” contributions. The annual maximums include \$500/year (Individual coverage) or \$1,000/year (Individual+1 or Family coverage) that is contributed by the Trust once you complete specified wellness activities.
Is it portable?	If you disenroll from the Health Plans or terminate employment, you forfeit unused HRA dollars. Any HRA balance remaining after employment or enrollment ends may only be used for qualified expenses incurred while Health Plan coverage was active, as long as the HRA fund utilization occurs within 90 days of that date.	HSA funds stay with you if you terminate employment or disenroll from the RCAB HDHP.
Can funds be used for items other than qualified medical expenses?	No	If you withdraw HSA funds under age 65 or spend the funds on anything other than qualified expenses, you will be subject to regular income taxes and additional federal taxes. After age 65, if you withdraw money or spend it on non-qualified expenses, it is subject to regular income taxes.
Can the funds be invested?	No	Yes, once your account has a minimum of \$1,000.