



MASSACHUSETTS

Health Financial Accounts

Now We've Got Your Finances Covered Too

Blue Cross Blue Shield of Massachusetts offers tax-qualified financial accounts for your employees to pair with their health plans, making it easier to pay for eligible expenses.

Types of Health Financial Accounts

Health Savings Account

A health savings account (HSA) is a tax-advantaged savings account that can be used to pay for medical, dental, vision, and other qualified expenses now or later in life. Contributions are limited annually and the funds can even be invested, making it a great addition to your employees' retirement portfolios. In order to contribute, employees must be enrolled in a high-deductible health plan, under the age of 65, not covered under another health plan, not eligible for benefits under Medicare, and not another person's dependent.

Health Reimbursement Arrangement

A health reimbursement arrangement (HRA) is part of your employee benefit plan. You decide how much money to contribute each year to help your employees pay for eligible health care products and services for themselves and their dependents not covered by any other source. You also decide what health care expenses are covered by the HRA.

Limited Purpose Flexible Spending Account

A limited purpose flexible spending account (LPFSA) allows your employees to contribute a portion of their paycheck, before taxes, to pay for qualified vision and dental expenses for themselves and their dependents. An LPFSA allows your employees to continue to contribute to an HSA while also contributing to an LPFSA. This additional pre-tax deduction helps maximize tax savings beyond an HSA alone.

Flexible Spending Account

A flexible spending account (FSA) is an employer-sponsored benefit that allows your employees to set aside pre-tax dollars to be used for eligible out-of-pocket medical expenses not covered by the health plan. An FSA covers eligible expenses for your employees and their dependents.

Dependent Care Flexible Spending Account

A dependent care flexible spending account (DCFSA) is a flexible spending account that allows your employees to contribute a portion of their paycheck before taxes are taken out to pay for qualified dependent care expenses. Qualified expenses must be for the purpose of allowing your employees to work or look for work. Services may be provided at a child or adult care center, nursery, preschool, after-school, summer day camp, or by a nanny or care provider in your home.

2019 Contribution Limits*

Health Savings Account	\$3,500 (individual); \$7,000 (family)
If employees are age 55 or older, they can make additional “catch-up” contributions to their HSAs. The “catch-up” contribution limit for 2019 is \$1,000.	
Flexible Spending Account	\$2,700
Limited Purpose FSA	\$2,700
Dependent Care FSA	\$5,000

*Contribution limits are set by the IRS and are adjusted annually for inflation.

