

CHARGING Forward with the New HSA Saver Medical Plan

A Closer Look at How the HSA Compares to Other Healthcare Savings/Spending Accounts

Not all savings and spending accounts are equal. To get a better feel for the unique aspects of each, please review the detailed comparison below:

	Health Savings Account (HSA)	Health Reimbursement Account (HRA)	Health Care Flexible Spending Account (HCFSAs)	Limited Purpose Flexible Spending Account (LPFSA)
What is it?	A personal bank account to help you save and pay for qualified healthcare services and medical expenses. Funds can be used to offset your annual deductible at your discretion.	An employer-sponsored feature that serves as the first source of payment for medical expenses. It is designed to offset your annual deductible.	An account that helps you pay for eligible healthcare services and medical expenses.	An account used in tandem with an HSA that helps you pay for eligible dental and vision expenses only—allowing you to reserve your HSA funds for medical/prescription drug expenses.
Who can participate?	Anyone in an HSA-qualifying health plan, such as the BorgWarner HSA Saver Medical Plan.	Anyone enrolled in the BorgWarner HRA Medical Plan (formerly the Basic Plan)	Anyone who is NOT enrolled in an HSA.	Anyone enrolled in the HSA Saver Medical Plan and contributing to the HSA; can be used in combination with the HSA.
Who owns the account?	You	BorgWarner	BorgWarner	BorgWarner
Who can put money into the account?	<ul style="list-style-type: none"> BorgWarner You Anyone else! 	Only BorgWarner; you can't put money into the account.	You	You
How much does BorgWarner contribute?	For 2024, BorgWarner will contribute: Employee Only: \$600 All other coverage tiers: \$1,200 Amounts are pro-rated for new hires.	For 2024, BorgWarner will contribute: Employee Only: \$600 Employee + Spouse: \$750 Employee + Child(ren): \$750 Family: \$1,200 Amounts are pro-rated for new hires.	\$0	\$0

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How is the money contributed?	Automatic payroll deductions before taxes are taken out. (Plus, you can make additional contributions online.) BorgWarner contributes to the account on the first paycheck of the year.	BorgWarner funds the account as of January 1.	Automatic payroll deductions before taxes are taken out.	Automatic payroll deductions before taxes are taken out.
Can I change my contribution at any time?	Yes	n/a	No	No
Are there contribution limits?	<p>The IRS sets an annual contribution limit, but there is no limit to what you can save over time. The 2024 contribution limits are:</p> <p>Employee Only: \$4,150 All other tiers: \$8,300 If age 55 or older: Additional \$1,000 “catch-up” contribution.</p> <p><i>Note: Limits include both employee and employer contributions*.</i></p>	There are no employee contributions allowed, so limits do not apply to this account.	The IRS sets annual limits. The 2023 contribution limit is \$3,050. Updated 2024 limits will be released in late 2023.	The IRS sets annual limits. The 2023 contribution limit is \$3,050. Updated 2024 limits will be released in late 2023.
What are the tax advantages?	<p>The HSA offers the most tax advantages of all the accounts—triple tax-savings:</p> <ul style="list-style-type: none"> • Contributions go in tax-free. • Funds grow tax-free. • Distributions are tax-free (if used for qualifying healthcare expenses). Some state taxes may apply; this varies by state. 	None	<ul style="list-style-type: none"> • Contributions go in tax-free. • Distributions are tax-free so long as funds are used for eligible healthcare expenses. 	<ul style="list-style-type: none"> • Contributions go in tax-free. • Distributions are tax-free so long as funds are used for eligible dental and vision expenses.
Does the account earn interest?	Yes	No	No	No
Can the funds be invested?	<p>Yes. Once you have saved at least \$1,000, you are eligible to invest some or all of your funds.</p> <p><i>NOTE: This investment feature makes the HSA an additional source of retirement savings!</i></p>	No	No	No

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What can the funds be used for?	You can pay for hundreds of qualified healthcare expenses (medical, prescription, dental, and vision) determined by the IRS. Funds can be used to pay for qualified expenses for you, your spouse, and your tax dependents.	The funds are automatically applied on your behalf to eligible medical expenses.	You can pay for hundreds of eligible healthcare expenses (medical, prescription, dental, and vision), which are determined by the IRS.	You can pay for eligible dental and vision expenses, which are determined by the IRS. Find a full list of qualified expenses listed under Section 503 of the Internal Revenue Code.
Find a full list of qualified expenses for these tax-advantaged accounts under IRS Publication 969 and IRS Publication 502 .				
How do I access the funds?	<ul style="list-style-type: none"> • Pay using the HSA debit card. • Pay a provider directly from your online account. • Pay out-of-pocket and submit a claim for reimbursement. 	No direct access; funds are automatically applied to claims.	<ul style="list-style-type: none"> • Pay using the FSA debit card. • Pay a provider directly from your online account. • Pay out-of-pocket and submit a claim for reimbursement. 	<ul style="list-style-type: none"> • Pay using the FSA debit card. • Pay a provider directly from your online account. • Pay out-of-pocket and submit a claim for reimbursement.
If I don't spend it all this year, can I use it next year?	Yes. Any remaining funds roll over from year-to-year with no total savings limit.	Currently, you may roll over up to the following limits: Employee Only: \$3,000 Employee + 1: \$4,500 Family: \$6,000	There is a maximum limit set by the IRS for the amount that can be carried over for use in the following year. For 2023, the limit is \$610.	There is a maximum limit set by the IRS for the amount that can be carried over for use in the following year. For 2023, the limit is \$610.
What happens if I change jobs or retire?	The HSA is yours, so you can take it with you.	Unused balance is forfeited.	Unused balance is forfeited.	Unused balance is forfeited.

**It is the employee's responsibility to monitor HSA contributions against the annual limits, including those made at prior employers within the same calendar year.*



Watch for additional articles coming soon about the HSA and all it has to offer. All articles will be posted on the U.S Benefit Pulse page and [Borgwarner.com/benefits](https://www.borgwarner.com/benefits) as they become available.

