



HSA vs. Roth IRA vs. Traditional IRA

| | HSA | Roth IRA | Traditional IRA |
|--------------------------------|---|--|--|
| Eligibility | Must be enrolled in a high-deductible health plan (HDHP) | Must have earned income within certain limits | Must have earned income |
| Tax Treatment of Contributions | Tax-deductible or pre-tax through payroll | Contributions made with after-tax dollars | Tax-deductible (subject to income limits) |
| Contribution Limits (2024) | \$4,150 for individual, \$8,300 for family, plus \$1,000 catch-up if age 55+ | \$7,000 (\$8,000 if age 50+) | \$7,000 (\$8,000 if age 50+) |
| Tax Treatment of Withdrawals | Tax-free for qualified medical expenses | Tax-free if qualified (after age 59.5 and account held for five years) | Taxable as ordinary income |
| Penalty for Early Withdrawals | 20% penalty for non-qualified expenses before age 65 | 10% penalty before age 59.5 (exceptions apply) | 10% penalty before age 59.5 (exceptions apply) |
| RMDs | None | None | Begin at age 73 |
| Qualified Expenses | Medical expenses | Retirement expenses | Retirement expenses |
| Investment Options | Typically includes mutual funds, ETFs, stocks, and bonds | | |
| Portability | Stays with you if you change jobs or retire | | |
| Other Notable Features | Triple tax-advantaged: (1) Tax-deductible contributions, (2) Tax-free growth, and (3) Tax-free withdrawals for medical expenses | Contributions can continue after age 73 if you have earned income; No RMDs | Contributions can be tax-deductible; RMDs required |

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