



Benefits Compliance Update

May 10, 2018

2019 Inflation Adjusted Amounts for HSAs

The IRS released the inflation adjustments for health savings accounts (HSAs) and their accompanying high deductible health plans (HDHPs) effective for calendar year 2019.¹ Most limits increased from 2018 amounts. (*Rev. Proc. 2018-30*, May 10, 2018, <https://www.irs.gov/pub/irs-drop/rp-18-30.pdf>).

ANNUAL CONTRIBUTION LIMITATION

For calendar year 2019, the limitation on deductions for an individual with **self-only coverage** under a high deductible health plan is **\$3,500**. For calendar year 2019, the limitation on deductions for an individual with **family coverage** under a high deductible health plan is **\$7,000**.

HIGH DEDUCTIBLE HEALTH PLAN

For calendar year 2019, a “high deductible health plan” is defined as a health plan with an **annual deductible that is not less than \$1,350 for self-only coverage or \$2,700 for family coverage**, and the **annual out-of-pocket expenses** (deductibles, co-payments, and other amounts, but not premiums) **do not exceed \$6,750 for self-only coverage or \$13,500 for family coverage**.²

Non-calendar year plans: In cases where the HDHP renewal date is after the beginning of the calendar year (i.e., a fiscal year HDHP), any required changes to the annual deductible or out-of-pocket maximum may be implemented as of the next renewal date. See *IRS Notice 2004-50, 2004-33 I.R.B. 196, Q/A-86* (Aug.16, 2004).

¹ “Calendar year 2019” refers to January 1, 2019 – December 31, 2019 for all plans.

² Note, out-of-pocket maximum limits for high deductible health plans are generally below the applicable requirements for all non-grandfathered health plans.

CATCH-UP CONTRIBUTION

Individuals who are age 55 or older and covered by a qualified high deductible health plan may make additional catch-up contributions each year until they enroll in Medicare. The additional contribution, as outlined by the statute, is \$1,000 for 2009 and thereafter.

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