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Numerous Hikes for HSA and HDHP Limits

By [Sheila Ninneman, J.D.](#)

On May 4, 2017, the Internal Revenue Service announced in Revenue Procedure 2017-37 the 2018 limits for contributions to Health Savings Accounts (HSAs) and definitional limits for High Deductible Health Plans (HDHPs). These inflation adjustments are provided for under Internal Revenue Code Section 223. Unlike last year’s single change, the limits for the 2018 calendar year have been increased across the board, as described below.

An HDHP for the 2018 calendar year is a health plan with an annual deductible that is not less than \$1,350 for self-only coverage and for family coverage it’s \$2,700. 2018 annual out-of-pocket expenses (deductibles, co-payments and other amounts, excluding premiums) cannot exceed \$6,650 for self-only coverage and \$13,300 for family coverage.

For individuals with self-only coverage under an HDHP, the 2018 annual contribution limit to a HSA is \$3,450 and for an individual with family coverage, the HSA contribution limit is \$6,900.

| HSA AND HDHP LIMITATIONS | | | | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | 2018 | | 2017 | |
| HSA Contribution Limits (Employer + Employee) | \$3,450 Individual | \$6,900 Family | \$3,400 Individual | \$6,750 Family |
| HDHP Deductible Limits | \$1,350 Individual | \$2,700 Family | \$1,300 Individual | \$2,600 Family |
| HDHP Out-of-pocket Limits | \$6,650 Individual | \$13,300 Family | \$6,550 Individual | \$13,100 Family |

No change was announced to the HSA catch-up contribution limit. If an individual is age 55 or older by the end of the calendar year, they can contribute an additional \$1,000 to their HSA. If married, and both spouses are age 55, each

individual can contribute an additional \$1,000 into his or her individual account.

In the situation of a married couple with family coverage, they must have two HSA accounts if they want to contribute the maximum \$8,900. The contribution cannot be maximized with only one account. One individual would contribute the family coverage maximum plus his or her individual catch-up, and the other would contribute the catch-up maximum to their individual account.

The American Health Care Act (AHCA), which was narrowly passed by the House of Representatives on the same day that this IRS guidance was issued, would significantly raise the HSA and HDHP limits. However, the AHCA must still pass the Senate, which is likely to change the bill substantially, before it can be signed into law by the President.

In the meantime, plan sponsors should ensure that all participant communications for the 2018 plan year reflect the new limits.

Questions? Contact your Findley Davies | BPS&M consultant or [Sheila Ninneman, J.D.](#) at sninneman@findleydavies.com, or 216.875.1927.

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