



Compliance Alert

IRS Releases 2019 Inflation Adjusted Amounts for HSAs

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Most people think of spring flowers in the month of May. If you are in the benefits field, May brings to mind the anticipated release of the annual inflation adjusted amounts for Health Savings Accounts (HSAs).

This is fresh on the heels of the infamous IRS flip-flop reducing the 2018 maximum family contribution by \$50 in March, and then then reinstating the \$6,900 family limit the end of April. See our [Alert](#) on this topic.

[IRS Revenue Procedure 2018-30](#) increases the 2019 calendar year HSA contribution limit for individual coverage to \$3,500. The limit for family coverage (employee plus at least one dependent) will be \$7,000 in 2019. The catch-up contribution limit of \$1,000 is fixed by law and does not adjust for inflation.

The Revenue Procedure also includes the 2019 calendar year minimum deductible and out-of-pocket maximums allowed for a plan to qualify as a high deductible health plan (HDHP)—the required coverage for an individual to be eligible to make or receive HSA contributions.

The minimum deductible amounts for 2019 will remain the same as 2018. The annual out-of-pocket maximum amounts will increase by \$100 for self-only coverage and \$200 for family coverage in 2019.

Don't Forget about California AB 1305

California AB 1305 requires fully insured California family HDHP policies to have an embedded individual deductible that is no greater than the policy's individual deductible. See our [Alert](#) for more details.

The insurance marketplace responded by splitting the HDHP plans into two policies, one for employee-only coverage and one for family coverage, which has largely made the rule irrelevant.

Regardless, because the minimum HDHP deductible will remain the same, no change is needed for 2019 to the embedded individual deductible on the family HDHP if it is currently set at \$2,700 or higher.

	2018	2019
HDHP Minimum Deductible		
Single	\$1,350	\$1,350
Family	\$2,700	\$2,700
HDHP Maximum Out-of-Pocket		
Single	\$6,650	\$6,750
Family	\$13,300	\$13,500
HSA Contribution Limit		
Single	\$3,450	\$3,500
Family	\$6,900	\$7,000
HSA 55 + Contribution		
Single	\$1,000	\$1,000
Family	\$1,000	\$1,000

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