



update

Health Savings Account Contribution Limits and High-Deductible Health Plan Minimums and Maximums for 2019

The Internal Revenue Service (IRS) recently released [Revenue Procedure 2018-30](#). It announced inflation-adjusted amounts for 2019 for the maximum annual contribution to Health Savings Accounts (HSAs). It also announced the maximum out-of-pocket expense for High-Deductible Health Plans (HDHPs) for individual and family coverage.

The 2019 Amounts

The 2019 numbers are shown in the table below with notes about how they compare to the 2018 numbers.



Health Compliance News Highlights:

- HSA contribution limits will increase by less than 1.5 percent for 2019.
- HDHP deductibles will not change.
- The HDHP out-of-pocket limit will increase by just over 1.5 percent.

2019 Minimums and Maximums for HSAs* and HDHPs

	Individual Coverage	Family Coverage
Maximum Annual HSA Contribution**	\$3,500 (up \$50 from \$3,450 for 2018)	\$7,000 (up \$100 from \$6,900 for 2018)
Minimum HDHP Deductible	\$1,350 (unchanged from 2018)	\$2,700 (unchanged from 2018)
Maximum HDHP Out-of-Pocket Expense***	\$6,750 (up \$100 from \$6,650 for 2018)	\$13,500 (up \$200 from \$13,300 for 2018)

* HSAs, established by the Medicare Modernization Act (MMA) as of January 1, 2004, allow individuals or employers to contribute to an HSA as long as the individual is covered under an HDHP.

** Individuals age 55 or over can contribute an additional \$1,000 to their HSAs.

*** The out-of-pocket expense does not include premiums.

In Addition, IRS Reverts to the Original 2018 HSA Family Maximum

On March 5, 2018 in [Revenue Procedure 2018-18](#), the IRS reduced the maximum family contribution to \$6,850 from the \$6,900 maximum announced on May 4, 2017 in [Revenue Procedure 2017-37](#). Subsequently, in [Revenue Procedure 2018-27](#) released on April 26, 2018, the IRS reverted back to the \$6,900 maximum family contribution in response to requests it received from plan sponsors.

Implications for Employers

As they prepare health plan offerings for their next open enrollment cycle, employers that offer HDHPs with HSAs will need to revise their plan design and documents to ensure compliance with 2019 amounts.

Employers considering an HSA need to look at both the HDHP design that they will offer and the amount that they will contribute to the accounts, if anything. However, implementing an HSA has become easier due to the maturity of the HSA market and deeper understanding of the regulations by the industry.

How Segal Can Help

For plan sponsors with HDHPs, Segal can help value the impact of plan design changes being considered based on these new limits. Plan sponsors interested in exploring an HSA should contact their Segal consultant to determine whether that course of action is right for them. Employers should review both the benefits of an HDHP and the value of a HSA to their employees. If an HSA option is selected, a key consideration is how to communicate the HSA option, and whether or how much the employer should contribute to the account. Segal can assist with both HDHP selection and HSA evaluation.

Questions?

For more information about how these new numbers may affect your plan, please contact your Segal consultant or the [Segal office nearest you](#).

HSA contribution and deductible amounts will change for 2019. However, despite proposals from some legislators to expand HSAs, Congress has not changed the basic rules about how HSAs and HDHPs work.

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