



## 2018 vs. 2017 HSA Contribution Limits

Contribution and Out-of-Pocket Limits for Health Savings Accounts and High-Deductible Health Plans			
	2018	2017	Change
<b>HSA contribution limit</b> (employer + employee)	Self-only: \$3,450 Family: \$6,900	Self-only: \$3,400 Family: \$6,750	Self-only: +\$50 Family: +\$150
<b>HSA catch-up contributions</b> (age 55 or older) *	\$1,000	\$1,000	No change**
<b>HDHP minimum deductibles</b>	Self-only: \$1,350 Family: \$2,700	Self-only: \$1,300 Family: \$2,600	Self-only: +\$50 Family: +\$100
<b>HDHP maximum out-of-pocket amounts</b> (deductibles, co-payments and other amounts, but not premiums)	Self-only: \$6,650 Family: \$13,300	Self-only: \$6,550 Family: \$13,100	Self-only: +\$100 Family: +\$200

\* Catch-up contributions can be made during the year by HSA-eligible participants who will turn 55 by year-end.

\*\* Unlike other limits, the HSA catch-up contribution amount is not indexed; any increase would require statutory change.

Contributions for a given year may be made until the individual's federal tax return due date for that year, without extensions, in which case the HSA administrator must indicate that post-year-end contributions are attributed to the prior calendar year.

These rate changes reflect cost-of-living adjustments, if any, and rounding rules under Internal Revenue Code Section 223.

"The contribution limits for various tax advantaged accounts for the following year are usually announced in the fall, except for HSAs, which come out in the spring," explained Harry Sit, CEBS, who edits The Financial Buff blog. Due to a mild uptick in inflation and rounding rules, the 2018 HSA limit will have small increases, he noted.

"Employers should consider these limits when planning for the 2018 benefit plan year and should review plan communications to ensure that the appropriate limits are reflected," advised Damian A. Myers, a labor and employee benefits attorney with Proskauer in Washington, D.C.

#### **2018 Health FSA Employee Contribution Limit is \$2,650**

Beginning in 2018, the dollar limit on voluntary employee salary reductions for contributions to health flexible spending arrangements (health FSAs) is \$2,650, up \$50 from the 2017 limit of \$2,600, the IRS announced in [Revenue Procedure 2017-58](#), issued on Oct. 19, 2017. See the *SHRM Online* [2018 FSA Contribution Cap Rises to \\$2,650](#).

#### **Age 55 Catch Up Contribution**

HDHP enrollees who are age 55 or older can contribute an extra \$1,000 "catch-up contribution" annually to their HSAs. The catch-up contribution can be made during the year (prior to their birthday) by account holders who will turn 55 by year-end.

"If you are married, and both of you are age 55, each of you can contribute additional \$1,000," Sit said. But there's a catch, he added.

An HSA is in an individual account holder's name—there is no joint HSA even when the plan provides family coverage—so only an account holder age 55 or older can contribute the additional \$1,000 in his or her own name. "If only the husband is 55 or older and the wife contributes the full family contribution limit to the HSA in her name, the husband has to open a separate account for the additional \$1,000. If both husband and wife are age 55 or older, they must have two HSA accounts if they want to contribute the maximum," Sit said.