



## 2019 HSA Contribution Limit Changes

The 2019 HSA contribution level maximum will be \$3,500 for individual coverage, and \$7,000 for family coverage. The new limits increase the pre-tax amounts individuals and families may contribute to their HSA over 2018 limits by \$50 and \$100, respectively.

Individuals age 55 or older not yet enrolled in Medicare may make a catch-up HSA contribution of up to \$1,000 per person – an amount that remains unchanged from last year’s catch-up limit.

This means that the maximum contribution limit for a health savings account in the 2019 tax year will be \$8,000 for those who are 55 or older.

### HSA Contribution Changes Over Time:

HSA Limits	2016	2017	2018	2019
Single Coverage	\$3,350	\$3,400	\$3,450	<b>\$3,500</b>
Family Coverage	\$6,750	\$6,750	\$6,900	<b>\$7,000</b>
Catch Up Contributions 55+	\$1,000	\$1,000	\$1,000	\$1,000

This [most recent limit adjustment](#) mirrors the pattern of previous years, with the IRS announcing HSA limits in early May for the following tax year and generally leaving those limits unchanged throughout the tax year.

Early this year, however, that pattern was interrupted when the IRS announced that it had reduced the 2018 maximum family contribution limit to an HSA from \$6,900 to \$6,850. (Individual contribution limits weren’t impacted at the time.)

As a result of a provision in H.R. 1 (“[Tax Reform](#)”) it changed the way that inflation-related increases are calculated from the “Consumer Price Index” (CPI) to a new factor known as “chained CPI.”

Then in the later part of April, the IRS [issued transition relief](#) allowing taxpayers to treat the 2018 Health Savings Account (HSA) contribution limit for an individual with family coverage under a High Deductible Health Plan (HDHP) as \$6,900.



### HDHP Deductibles and Out-of-Pocket Maximums

The minimum deductible for HSA-qualified HDHPs are left as-is for 2019, remaining at \$1,350 for individual coverage and \$2,700 for family coverage.

The 2019 out-of-pocket maximums for HDHPs are increasing to \$6,750 for individual coverage and \$13,500 for family coverage, increases of \$100 for individual and \$200 for families from the 2018 limit, respectively.

The increases for HDHP out-of-pocket maximums allow for more flexibility with plan sponsors when evaluating potential deductibles. They also factor into the decision-making process for individuals when determining how much to contribute in their HSA accounts.

### HSA Single Coverage Changes Over Time:

Single Coverage	2016	2017	2018	2019
HSA Contribution Limit	\$3,350	\$3,400	\$3,450	<b>\$3,500</b>
Catch Up Contributions 55+	\$1,000	\$1,000	\$1,000	\$1,000
Minimum HDHP Deductible	\$1,300	\$1,300	\$1,350	\$1,350
Maximum HDHP Out-of-Pocket	\$6,550	\$6,550	\$6,650	<b>\$6,750</b>



### HSA Family Coverage Changes Over Time:

Family Coverage	2016	2017	2018	2019
HSA Contribution Limit	\$6,750	\$6,750	\$6,900	<b>\$7,000</b>
Catch Up Contributions 55+	\$1,000	\$1,000	\$1,000	\$1,000
Minimum HDHP Deductible	\$2,600	\$2,600	\$2,700	\$2,700
Maximum HDHP Out-of-Pocket	\$13,100	\$13,100	\$13,300	<b>\$13,500</b>

#### To be eligible for an HSA, an employee:

- Must be covered by a qualified high deductible health plan (HDHP);
- Must not have any disqualifying health coverage (called “impermissible non-HDHP coverage”);
- Must not be enrolled in Medicare; and
- May not be claimed as a dependent on someone else’s tax return.

### RECAP

- **2019 HSA contribution limit:**
  - Single: \$3,500 (an increase of \$50 from 2018)
  - Family: \$7,000 (an increase of \$100 from 2018)
  - Catch-up contributions for those age 55 and older remains at \$1,000
- **2019 HDHP minimum deductible (not applicable to preventive services):**
  - Single: \$1,350 (no change from 2018)
  - Family: \$2,700 (no change from 2018)
- **2019 HDHP maximum out-of-pocket limit:**
  - Single: \$6,750 (an increase of \$100 from 2018)
  - Family: \$13,500\* (an increase of \$200 from 2018)

\*If the HDHP is a non-grandfathered plan, a per-person limit of \$7,900 also will apply due to the Affordable Care Act’s cost-sharing provision for essential health benefits.