

IRS Announces 2018 Health Savings Account Limits

The IRS has issued [Revenue Procedure 2017-37](#) that sets forth the applicable 2018 limits for Health Savings Accounts (“HSAs”) in accordance with IRC Section 223.

	2018	2017
Annual Contribution Limit		
Self-Only Coverage	\$3,450	\$3,400
Family Coverage	\$6,900	\$6,750
Annual Deductible for Qualified High Deductible Health Plan		
Self-Only Coverage	\$1,350	\$1,300
Family Coverage	\$2,700	\$2,600
Maximum Annual Out-of-Pocket Limit		
Self-Only Coverage	\$6,650	\$6,550
Family Coverage	\$13,300	\$13,100

It should be noted that the Maximum Annual Out-of-Pocket Limit (“MOOP”) for HSAs is different than the Maximum Annual Out-of-Pocket Limit that applies to in-network essential health benefits for non-grandfathered plans under the Affordable Care Act (“ACA”). The 2018 ACA MOOP limit has been set at \$7,350 and \$14,700 for self only and family coverage, respectively. Furthermore, the ACA requires the use of an “embedded” MOOP, whereby an individual enrolled in family coverage will have their out-of-pocket expenses capped at the self-only MOOP (\$7,350) rather than having to satisfy the family MOOP (\$14,700) before the plan pays 100% of covered expenses.

Finally, the Annual Contribution Limit could potentially change if the Trump administration is able to sign the American Health Care Act into law (as currently passed by the House of Representatives on May 4, 2017). Under this Act, the HSA Annual Contribution Limit would increase and be equal to the HSA MOOP, allowing taxpayers the ability to save almost twice as much on a tax-preferred basis to cover out-of-pocket medical expenses.

ADDITIONAL INFORMATION

Information contained in this CLIENT ALERT is not intended to render tax or legal advice. Employers should consult with qualified legal and/or tax counsel for guidance with respect to matters of law, tax and related regulation. Cherry Bekaert Benefits Consulting, LLC provides comprehensive consulting and administrative services with respect to all forms of employee benefits, risk management, qualified and non-qualified retirement plans, private client services, transaction services, and compensation and human resources.

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