



EXPERT UPDATE



IRS Announces 2013 Cost-of-Living Changes to HSA Contribution Limits and HDHP Out-of-Pocket Maximums



HENDERSON
BROTHERS

2013 Cost-of-Living Changes to HSAs and HDHPs

In 2013, individuals may incur a slightly greater proportion of out-of-pocket expenses when they utilize Health Savings Accounts (HSAs) and High Deductible Health Plans (HDHPs). This is due to the latest allowable limits released by the IRS, which shows a growing disparity between the rate of increase for HSA contribution limits versus the rate increases for HDHP minimum annual deductibles and out-of-pocket maximums. The specific details are as follows:

- **HSA Contribution Limits** – The IRS has set the 2013 annual HSA contribution limit for an individual with single HDHP coverage is \$3,250. Correspondingly, the limit for family HDHP coverage is \$6,450. These 2013 HAS contribution limits represent increases of \$150 and \$200, respectively, from 2012 and more than double the increases from 2011 (\$50 and \$100 increases for single and family HDHP coverage).
- **HDHP Minimum Required Annual Deductibles** – The 2013 HDHP minimum deductibles are \$1,250 for single coverage and \$2,500 for family coverage. The new amounts reflect \$50 and \$100 dollar increases from one year ago. Two years ago, there was no change from 2011 to 2012.

- HDHP Out-of-Pocket Maximums – The 2013 HDHP out-of-pocket maximum for an individual with single coverage is \$6,250, while the out-of-pocket amount for family coverage is \$12,500. The new maximum for individual coverage is a \$200 increase over 2012 figures, while the new maximum for family coverage is a \$400 increase. The increases for out-of-pocket maximums were half these amounts from 2011 to 2012 (\$100 and \$200 respectively).

These increased limits will of course take effect with plan start dates beginning January 1, 2013.

There is no change to the “Over 55 HSA Catch-up Contribution” for the third consecutive year. This amount is still \$1,000.

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Available at <http://www.irs.gov/pub/irs-drop/rp-12-26.pdf>

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