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The IRS released the inflation adjustments for health savings accounts (HSAs) and their accompanying high deductible health plans (HDHPs) effective for calendar year 2018. All limits increased from 2017 amounts.

## Annual Contribution Limitation

For calendar year 2018, the limitation on deductions for an individual with **self-only coverage** under a high deductible health plan is **\$3,450**. For calendar year 2018, the limitation on deductions for an individual with **family coverage** under a high deductible health plan is **\$6,900**.

## High Deductible Health Plan

For calendar year 2018, a “high deductible health plan” is defined as a health plan with an **annual deductible that is not less than \$1,350 for self-only coverage or \$2,700 for family coverage**, and the **annual out-of-pocket expenses** (deductibles, co-payments, and other amounts, but not premiums) **do not exceed \$6,650 for self-only coverage or \$13,300 for family coverage**.

**Non-calendar year plans:** In cases where the HDHP renewal date is after the beginning of the calendar year (i.e., a fiscal year HDHP), any required changes to the annual deductible or out-of-pocket maximum may be implemented as of the next renewal date.

## Catch-Up Contribution

Individuals who are age 55 or older and covered by a qualified high deductible health plan may make additional catch-up contributions each year until they enroll in Medicare. The additional contribution, as outlined by the statute, is \$1,000 for 2009 and thereafter.