



SPECIAL ALERT

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2017 HDHP PLAN PARAMETERS AND HSA LIMITS

The IRS recently released the 2017 limits for High Deductible Health Plans (HDHPs) and Health Saving Accounts (HSAs). HSAs can be paired with qualifying HDHPs in a consumer-driven approach to health benefits. Contributions to these accounts as well as distributions and accrued interest are tax-favored only when the employee uses these funds to pay for IRS-qualified medical expenses.

Employees must have a qualifying HDHP in order to contribute to an HSA. High deductible health plans must follow a number of rules in order to be considered qualifying. Anyone contributing to an HSA must also meet a number of eligibility requirements. For details on these rules, please read our 2015 *Benefit Advisor* at http://mcgrawwentworth.com/wp-content/uploads/BA_Issue_V18_1.pdf.

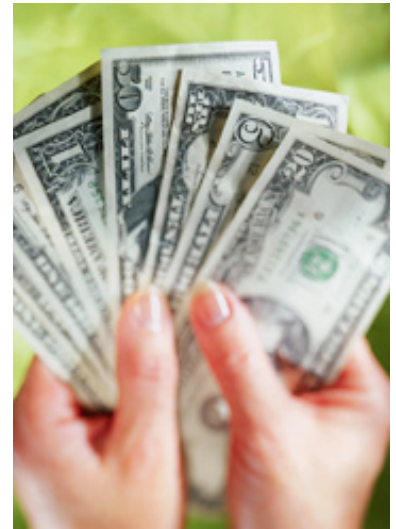
Contributions to HSAs and the provisions related to qualifying HDHPs are indexed. The rules allow for annual cost of living adjustments. Only the single contribution limit for the HSA has changed from 2016.

The parameters for HDHPs for 2016 and 2017 can be found in the table on page 2.

The contribution limits are also indexed annually. The contribution limits for 2015 and 2016 are shown in the table on page 2.

This updated information is important for employers planning to offer HSA-qualified HDHPs in 2017. Remember, the maximum out-of-pocket limits for qualifying HDHPs are lower than the maximum out-of-pocket limits set by the Affordable Care Act (ACA). For that reason, an HDHP could not adopt the ACA maximum out-of-pocket limits and still remain a qualifying HDHP.

If you have any questions regarding HDHPs and HSAs, please contact your MMA-MI Account Director. MMA



We welcome your comments and suggestions regarding this issue of our Special Alert. For more information, please contact your Account Manager or visit our website at www.mma-mi.com.

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HDHP PARAMETERS

	2016	2017
Minimum Single Annual Deductible	\$1,300	\$1,300
Minimum Family Annual Deductible	\$2,600	\$2,600
Maximum Single Out-of-Pocket Limit	\$6,550	\$6,550
Maximum Family Out-of-Pocket Limit	\$13,100	\$13,100

CONTRIBUTION LIMITS

	2016	2017
Contribution Limit Single Coverage	\$3,350	\$3,400
Contribution Limit Family Coverage	\$6,750	\$6,750
Catch Up Contribution (55 and older)	\$1,000	\$1,000

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