



SPECIAL ALERT

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2018 HDHP PLAN PARAMETERS AND HSA LIMITS

The IRS recently released the 2018 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 2017 Benefit Advisor at http://mcgrawwentworth.com/wp-content/uploads/BA_Issue_V20_1.pdf.

Contributions to HSAs and the provisions related to qualifying HDHPs are indexed. The rules allow for annual cost of living adjustments. All HDHP parameters increased slightly for 2018.

The parameters for HDHPs for 2017 and 2018 are shown in the table at the top of the next page.

The contribution limits are also indexed annually. The contribution limits for 2017 and 2018 are shown in the table on the next page.

This updated information is important for employers planning to offer HSA-qualified HDHPs in 2018. 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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The parameters for HDHPs for 2017 and 2018 are as follows:

	2017	2018
Minimum Single Annual Deductible	\$1,300	\$1,350
Minimum Family Annual Deductible	\$2,600	\$2,700
Maximum Single Out-of-Pocket Limit	\$6,550	\$6,650
Maximum Family Out-of-Pocket Limit	\$13,100	\$13,300

The contribution limits for 2017 and 2018 are as follows:

	2017	2018
Contribution Limit Single Coverage	\$3,400	\$3,450
Contribution Limit Family Coverage	\$6,750	\$6,900
Catch Up Contribution (55 and older)	\$1,000	\$1,000

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