



SPECIAL ALERT

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IRS REINSTATES FAMILY HSA CONTRIBUTION LIMIT

The IRS recently released Revenue Procedure 2018-27 that modified the annual family contribution limit to a Health Savings Account (HSA) to \$6,900.

The Tax Cuts and Jobs Act of 2017 changed many aspects of the Internal Revenue Code. HSA contribution limits are determined by an indexing formula that references the Tax Code. With the changes made by the Tax Act, the indexing formula indicated the family contribution limit needed to be lowered to \$6,850 for 2018. This change was discussed in our *Special Alert* at <http://mc-grawwentworth.com/wp-content/uploads/MMASA14-2.pdf>.

Many employers took action by lowering the maximum contribution for any employees electing the maximum in 2018. Employers can now take action again:

- Modify your communications to indicate the \$6,900 maximum.
- Modify your benefit administration system to reflect the \$6,900 maximum.

- Identify any employees that have the maximum family contribution. Advise them of the revised maximum. Ask them if they want to increase their current contribution to the \$6,900 maximum allowed. Direct them to make the change by using your administration system.

Remember, the Section 125 mid-year change rules relating to HSA contributions are much less restrictive than for other permitted mid-year changes. At a minimum, employers must allow employees the opportunity to change HSA contributions at least once per month.

Please contact your Marsh & McLennan Agency | Michigan Account Manager with any questions. 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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Marsh & McLennan Agency LLC

Health & Benefits

3331 West Big Beaver Road, Suite 200
Troy, MI 48084
Telephone: 248-822-8000 Fax: 248-822-4131
www.mma-mi.com

Property & Casualty

15415 Middlebelt Road
Livonia, MI 48154
Telephone: 734-525-0927 Fax: 734-525-0612
www.mma-mi.com

