



SPECIAL ALERT

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2019 HDHP PLAN PARAMETERS AND HSA LIMITS

The IRS recently released the 2019 limits for High Deductible Health Plans (HDHPs) and Health Saving Accounts (HSAs). The limits were included in Revenue Procedure 2018-30.

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 annually indexed. The rules allow for annual cost of living adjustments. The increases are determined by a formula applied to parameters in the Tax Code. As a result of changes to the tax code late in 2017, the 2018 family contribution maximum decreased in January this year. However, the IRS realizing the hardship this reduction caused reinstated the initial maximum just recently.



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 2018 and 2019 are shown in the table to the right.

The contribution limits are also indexed annually. The contribution limits for 2018 and 2019 are shown in the table to the right.

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](#)

2018/2019 HDHP PARAMETERS

	2018	2019
Minimum Single Annual Deductible	\$1,350	\$1,350
Minimum Family Annual Deductible	\$2,700	\$2,700
Maximum Single Out-of-Pocket Limit	\$6,650	\$6,750
Maximum Family Out-of-Pocket Limit	\$13,300	\$13,500

2018/2019 CONTRIBUTION LIMITS

	2018	2019
Contribution Limit Single Coverage	\$3,450	\$3,500
Contribution Limit Family Coverage	\$6,900	\$7,000
Catch Up Contribution (55 and older)	\$1,000	\$1,000

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