

2008 HSA/HDHP Limits Released

The IRS has released the 2008 limits for health savings accounts and high-deductible health plans.

Background

In 2006, the Tax Relief and Health Care Act of 2006, which included several provisions affecting and enhancing Health Savings Accounts (HSAs), was signed into law.

Effective for 2007 plan years, the law made the annual deductible limitation on HSA contributions the statutory maximum amount instead of the lesser of that amount or the deductible under the plan. Thus, starting in 2007, an eligible individual with self-only coverage could contribute up to \$2,850 to an HSA and an individual with family-only coverage could contribute up to \$5,650, regardless of the amount of the HDHP deductibles for the year.

Revenue Procedure 2007-36

The IRS has now issued Revenue Procedure 2007-36, which reflects the change in deduction limit for 2007 and provides the new statutory HSA contribution and HDHP minimum deductible and out-of-pocket limits for 2008.

The HSA and HDHP limits for 2008 as compared to 2007 are shown below. The catch-up contribution limit prescribed by statute is also included.

| | 2007 | 2008 |
|--|-------------------|-------------------|
| HDHP Minimum Deductible Amount Individual Family | \$1,100 2,200 | \$1,100 2,200 |
| HDHP Maximum Out-of-Pocket Amount Individual Family | \$5,500 11,000 | \$5,600 11,200 |
| HSA Statutory Contribution Amount Individual Family | \$2,850 5,650 | \$2,900 5,800 |
| Catch-Up Contributions (age 55 or older) | \$800 | \$900 |

Colorado Health Insurance Brokers would be happy to discuss the impact of these numbers on your current or proposed HSA/HDHP arrangements.