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IRS Announces 2009 HSA Limits

The U.S. Treasury Department and IRS issued new guidance on the maximum contribution levels for Health Savings Accounts (HSAs) and out-of-pocket spending limits for high-deductible health plans (HDHPs) that must be used in conjunction with HSAs. These amounts have been indexed for cost-of-living adjustments for 2009.

Employers may need to adjust the HDHP they offer to ensure it meets the requirements for qualified HSA allowances under Treasury Department guidelines.

Annual HSA Contribution Limit: Self-only: \$3,000 Family: \$5,950

For 2009, the limit on HSA contributions for an individual with self-only coverage under a HDHP increased to \$3,000, from \$2,900 in 2008. The 2009 limit for an individual with family HDHP coverage is \$5,950, up from \$5,800 in 2008.

Annual Catch-Up Contribution:

For 2009 and future years, individuals who are age 55 or older may make additional contributions up to \$1,000 in 2009, up from \$900 in 2008.

HDHP Limits: Minimum Deductible: Self-only \$1,150 Family: \$2,300 Maximum Out-of-Pocket: Self-only \$5,800 Family: \$11,600

For 2009, a HDHP is a health plan that must have an annual deductible not less than \$1,150 for self-only and \$2,300 for family coverage. The 2008 limits were \$1,100 and \$2,200, respectively.

For 2009, the annual out-of-pocket expense limit under the HDHP may not exceed \$5,800 for self-only and \$11,600 for family coverage. The 2008 limits were \$5,600 and \$11,200 respectively.

These new limits are provided in Revenue Procedure 2008-29, which amends and supersedes Revenue Procedure 2007-36.

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