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ANOTHER CHANGE IN 2018 HSA CONTRIBUTION LIMITS

Issue Date: April 2018

IRS just released Rev. Proc. 2018-27 modifying (again) the HSA contribution limits for family coverage for 2018, returning the contribution limit to \$6,900.

In May 2017, the IRS released Revenue Procedure 2017-37, which set forth the 2018 inflation adjusted amounts for HSA contributions (\$3,450 for self-only, and \$6,900 for other than self-only). However, in accordance with the Tax Cuts and Jobs Act passed late in 2017, Rev. Proc. 2018-18 set forth a variety of changes to tax rates and inflation-adjusted thresholds, including a different methodology for determining adjustments to limits for things such as contributions to health flexible spending accounts (FSAs) and health savings accounts (HSAs) using a “chained CPI”. This resulted in the HSA contribution limits for family coverage being reduced by \$50 (to \$6,850) for 2018. Following this change, after receiving feedback from many several stakeholders, the IRS made the decision to return the amount to \$6,900 for 2018.

Below are the updated dollar amounts for 2018 HSA contributions. The 2018 requirements for a qualifying high deductible health plan (HDHP), the minimum deductibles and maximum out-of-pockets, are unchanged.

2018 HSA Annual Contribution Limits

	<i>2018 Contribution Limit</i>	<i>2017 Contribution Limit</i>
Self-only (single) HDHP coverage	\$3,450	\$3,400
Other than self-only (family) HDHP coverage	\$6,900 <i>previously set at \$6,850 for 2018</i>	\$6,750

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