



Legal Alert: IRS Announces Increases in HSA Contributions for 2009

5/21/2008

The Internal Revenue Service (IRS) has announced that the maximum contributions that can be made to Health Savings Accounts (HSAs) will increase for 2009. According to a statement released by the IRS on May 14, 2008, the maximum contributions for 2009 will be as follows:

Single Coverage - \$3,000 (up from \$2,900 for 2008)

Family Coverage - \$5,950 (up from 5,800 for 2008).

The IRS also announced an increase in the minimum deductible imposed on health insurance plans linked to HSAs and an increase in the maximum out-of-pocket expenses employees can be required to pay. The minimum deductible for health plans linked to HSAs will increase to \$1,150 in 2009 for employees with single coverage (up from \$1,100 for 2008). The minimum deductible for employees with family coverage will increase to \$2,300 (up from \$2,200 for 2008).

The maximum out-of-pocket expenses (including deductibles) an employee with single coverage can be required to pay will increase to \$5,800 in 2009 (up from \$5,600 in 2008). The maximum out-of-pocket expenses for employees with family coverage will increase to \$11,600 in 2009 (up from \$11,200 in 2008).

According to the IRS, these increases reflect increases in the cost of living.

If you have any questions regarding these issues or other employee benefits issues, please contact Penny Wofford, a partner in our Spartanburg office at pwofford@fordharrison.com or 864-699-1131, or any member of Ford & Harrison's Employee Benefits practice group.