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## Employee Benefits

A Littler Mendelson Newsletter

### IRS Releases 2009 Health Savings Account Limits

By Steven J. Friedman

On May 13, 2008, the Internal Revenue Service (IRS) released Revenue Procedure 2008-29, establishing the 2009 annual Health Savings Account (HSA) contribution limitations and High Deductible Health Care (HDHC) plan limitations (adjusted for inflation) for qualified Health Savings Accounts (HSA). The limitations are effective for calendar year 2009.

#### 2009 Annual HSA Contribution Limitation:

HSA contribution limits are applicable to all contributions made to the HSA of an eligible individual, whether made directly by or on behalf of the eligible individual.

For 2009, the annual HSA contribution limitation under a HDHC Plan is:

Individual coverage: \$3,000

Family coverage: \$5,950

#### 2009 Annual Qualified HDHC Plan Limitations:

In order to qualify as a HDHC plan for HSA purposes, a health care plan must satisfy the following requirements:

Minimum Annual HDHC Plan Deductible Limitation (not less than):

Individual coverage: \$1,150

Family coverage: \$2,300

Maximum Annual HDHC Plan Out of Pocket Expenses Limitation (not to exceed):

Individual coverage: \$5,800

Family coverage: \$11,600

*Individual coverage* means coverage under a qualified HDHC plan for one HSA eligible individual.

*Family coverage* means coverage under a qualified HDHC plan for more than one HSA eligible individual.

While not addressed in the Revenue Procedure, it is worth noting that the annual catch-up contribution permitted for HSA eligible individuals age 55 and over in 2009 will increase to \$1,000.

Given the advance notice of the 2009 limitations with regard to HSAs, all contributors should take the time to carefully review HDHC plan provisions and begin planning the timing of 2009 contributions so as not to exceed the annual limitations.

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