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IRS Announces 2020 HSA Contribution Limits, HDHP Minimum Deductibles, and HDHP Out-Of-Pocket Maximums

The IRS has released the 2020 cost-of-living adjusted limits for health savings accounts (HSAs) and high-deductible health plans (HDHPs). Here are the details:

HSA Contribution Limits: The 2020 annual HSA contribution limit is \$3,550 for individuals with self-only HDHP coverage (a \$50 increase from 2019), and \$7,100 for individuals with family HDHP coverage (a \$100 increase from the 2019 limit).

HDHP Minimum Deductibles: The 2020 minimum annual deductible is \$1,400 for self-only HDHP coverage and \$2,800 for family HDHP coverage (an increase of \$50 and \$100 respectively from 2019).

HDHP Out-of-Pocket Maximums: The 2020 limit on out-of-pocket expenses (including items such as deductibles, copayments, and coinsurance, but not premiums) is \$6,900 for self-only HDHP coverage (a \$150 increase from 2019), and \$13,800 for family HDHP coverage (a \$300 increase from 2019).

Because the increases to the HDHP out-of-pocket maximums are larger than the increases to the HSA contribution limits, some individuals may have to pay more out-of-pocket expenses without the benefit of the HSA tax break.

Please visit www.moreton.com/news-events/ for more information and to view other client alerts. This Client Alert was written by Carolyn Cox, Moreton & Company's in-house corporate counsel who provides our clients with compliance services. For additional questions, please contact Carolyn at 801-715-7110 or ccox@moreton.com.

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