

# CLIENT | ALERT



Client Alert Applies To: Self-Funded, Fully-Funded, Large Group, and Small Group

May 22<sup>nd</sup>, 2020

## IRS Announces 2021 HSA Contribution Limits, HDHP Minimum Deductibles, and HDHP Out-of-Pocket Maximums

The IRS has released the 2021 cost-of-living adjusted limits for health savings accounts (HSAs) and high-deductible health plans (HDHPs). Here are the details:

### **HSA Contribution Limits:**

The 2021 annual HSA contribution limit is \$3,600 for individuals with self-only HDHP coverage (a \$50 increase from 2020), and \$7,200 for individuals with family HDHP coverage (a \$100 increase from the 2020 limit).

### **HDHP Minimum Deductibles:**

The 2021 minimum annual deductible is \$1,400 for self-only HDHP coverage and \$2,800 for family HDHP coverage (no increase from 2020).

### **HDHP Out-of-Pocket Maximums:**

The 2021 limit on out-of-pocket expenses (including items such as deductibles, copayments, and coinsurance, but not premiums) is \$7,000 for self-only HDHP coverage (a \$100 increase from 2020), and \$14,000 for family HDHP coverage (a \$200 increase from 2020).

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/](http://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](mailto:ccox@moreton.com).

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