

# SpecialAlert

Volume Fifteen, Issue Two

June 2019

## 2019 HDHP PLAN PARAMETERS AND HSA LIMITS

The IRS recently released the 2020 limits for High Deductible Health Plans (HDHPs) and Health Saving Accounts (HSAs). The limits were included in Revenue Procedure 2019-25.

HSAs can be paired with qualifying HDHPs in a consumer-driven approach to health benefits. Contributions to these accounts as well as distributions and accrued interest are tax-favored only when the employee uses these funds to pay for IRS-qualified medical expenses.

Employees must have a qualifying HDHP in order to contribute to an HSA. High deductible health plans must follow a number of rules in order to be considered qualifying. Anyone contributing to an HSA must also meet a number of eligibility requirements.

Contributions to HSAs and the provisions related to qualifying HDHPs are annually indexed. The increases are determined by a formula applied to parameters in the Tax Code.

The parameters for HDHPs for 2019 and 2020 are shown in the table on page 2.

The contribution limits are also indexed annually. See table on page 2 for the 2019 and 2020 contribution limits.

This updated information is important for employers planning to offer HSA-qualified HDHPs in 2020. Remember, the maximum out-of-pocket limits for qualifying HDHPs are lower than the maximum out-of-pocket limits set by the Affordable Care Act (ACA). For that reason, an HDHP could not adopt the ACA maximum out-of-pocket limits and still remain a qualifying HDHP. If you have any questions regarding HDHPs and HSAs, please contact your MMA-MI team leader.



*We welcome your comments and suggestions regarding this issue of our Special Alert. For more information, please contact your Account Manager or visit our website at [www.mma-mi.com](http://www.mma-mi.com).*

*Continued on Page 2*

## HDHP PARAMETERS

	2019	2020
Minimum Single Annual Deductible	\$1,350	\$1,400
Minimum Family Annual Deductible	\$2,700	\$2,800
Maximum Single Out-of-Pocket Limit	\$6,750	\$6,900
Maximum Family Out-of-Pocket Limit	\$13,500	\$13,800

## CONTRIBUTION LIMITS

	2019	2020
Contribution Limit Single Coverage	\$3,500	\$3,550
Contribution Limit Family Coverage	\$7,000	\$7,100
Catch Up Contribution (55 and older)	\$1,000	\$1,000

**HEALTH & BENEFITS**

3331 W. Big Beaver Road  
Suite 200  
Troy, MI 48084  
248.822.8000 (Phone)  
248.822.4131 (Fax)  
[www.mma-mi.com](http://www.mma-mi.com)

**PROPERTY & CASUALTY**

15415 Middlebelt Road  
Livonia, MI 48154  
734.525.0927 (Phone)  
734.525.0612 (Fax)  
[www.mma-mi.com](http://www.mma-mi.com)

Copyright Marsh & McLennan Agency LLC company. This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affective if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change.

