



CHAO & COMPANY
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2018 HSA Limits

On May 4, 2017, the Internal Revenue Service issued Revenue Procedure 2017-37¹, announcing the 2018 inflation-adjusted amounts for Health Savings Accounts (HSAs), as determined under the Internal Revenue Code § 223.

The following is a comparison of the calendar year 2017 and 2018 annual limits:

HSA Contribution Limits	Y2017	Y2018
Individual with Single Coverage - 223(b)(2)(A)	\$3,400	\$3,450
Individual with Dependent Coverage - 223(b)(2)(B)	\$6,750	\$6,900
Catch-Up Contribution for Individual Age 55 or older	\$1,000	\$1,000
High Deductible Health Plan Deductible Minimums	Y2017	Y2018
Minimum Annual Deductible for Individual with Single Coverage - 223(c)(2)(A)	\$1,300	\$1,350
Minimum Annual Deductible for Individual with Dependent Coverage - 223(c)(2)(A)	\$2,600	\$2,700
Maximum Annual out-of-pocket for Individual with Single Coverage - 223(c)(2)(A)	\$6,550	\$6,650
Maximum Annual out-of-pocket for Individual with Dependent Coverage - 223(c)(2)(A)	\$13,100	\$13,300

A health savings account is a tax-exempt trust or custodial account that you set up with a qualified HSA trustee to pay or reimburse certain medical expenses you incur. You must be an eligible individual to qualify for an HSA under a High Deductible Health Plan.

No permission or authorization from the IRS is necessary to establish an HSA. When you set up an HSA, you will need to work with a trustee. A qualified HSA trustee can be a bank, an insurance company, or anyone already approved by the IRS to be a trustee of individual retirement arrangements (IRAs) or Archer MSAs. The HSA can be established through a trustee that is different from your health plan provider. Information pertaining to HSAs can be found in IRS Publication 969 (Y2015)².

IRS Publication 502 (Y2016)³ provides a comprehensive list of qualified medical and dental expenses that can be paid from or reimbursed by an HSA.

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¹ <https://www.irs.gov/pub/irs-drop/rp-17-37.pdf>

² <https://www.irs.gov/pub/irs-pdf/p969.pdf>

³ <https://www.irs.gov/pub/irs-pdf/p502.pdf>