



## LEGISLATIVE BRIEF

### IRS Increases Health Savings Account Limits

On May 17, 2011, the Internal Revenue Service (IRS) released IRS Notice 2011-32, which makes changes to Health Savings Accounts (HSAs) effective for **calendar year 2012**. The notice makes changes to:

- Annual contribution limitations for single and family coverage; and
- Maximum out-of-pocket employee expense for single and family coverage under a high deductible health plan.

This Wine Sergi & Company LLC Legislative Brief provides a summary of IRS Notice 2011-32.

#### 2012 HSA CONTRIBUTION LIMITS

An employee must be enrolled in a high deductible health plan (HDHP) in order to qualify for an HSA. Under IRS Revenue Procedure 2011-32, an individual with single coverage under an HDHP may make up to **\$3,100** in deductible contributions to his or her HSA, up from \$3,050 in 2011. An individual with family coverage under an HDHP may make up to **\$6,250** in annual deductible contributions, up from \$6,150 in 2011.

#### 2012 OUT-OF-POCKET EXPENSE LIMITS

The maximum out-of-pocket employee expense under an HDHP, including deductibles, will increase next year to **\$6,050** for single coverage, up from \$5,950 in 2011. For family coverage, the maximum out-of-pocket employee expense will increase to **\$12,100** next year, from \$11,900 in 2011. The out-of-pocket expense does not include insurance premiums.

#### DEDUCTIBLES

The deductibles under an HDHP must be at least **\$1,200** for single coverage and **\$2,400** for family coverage. These deductibles were not increased from the 2011 requirements and will remain the same for the 2012 calendar year.

#### EFFECTIVE DATE

These new limits are effective for **calendar year 2012**.

#### MORE INFORMATION

For a copy of IRS Notice 2011-32, see [www.irs.gov/pub/irs-drop/rp-11-32.pdf](http://www.irs.gov/pub/irs-drop/rp-11-32.pdf).



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