



The IRS Delivers!

A part of the Tax Relief and Health Care Act of 2006 passed last December 9 dealt with new rules for Health Savings Accounts (HSA).

One of the new rules involved the release of cost-of-living adjustments (COLAs) by June 1 of every year for HSAs. The release of HSA minimums and maximums earlier in the calendar year will ensure that plan sponsors and their employees have ample time to set up for the coming year. Plan design options can be weighed, and brochures and educational materials can be printed ahead of open enrollment.

The IRS released the 2008 limits for HSAs in Revenue Procedure 2007-36 on May 11, 2007. They are as follows:

| Health Savings Account (HSA) | 2007 | 2008 |
|--|----------|----------|
| Minimum deductible amounts for the qualifying high-deductible health plan (HDHP) | | |
| Individual coverage | \$1,100 | \$1,100 |
| Family coverage | \$2,200 | \$2,200 |
| Maximum contribution levels | | |
| Individual coverage | \$2,850 | \$2,900 |
| Family coverage | \$5,650 | \$5,800 |
| Catch up contribution allowed for those 55 and over | \$800 | \$900 |
| Maximums for HDHP out-of-pocket expenses | | |
| Individual coverage | \$5,500 | \$5,600 |
| Family Coverage | \$11,000 | \$11,200 |

Employers can now confidently go forward with their high-deductible health plan strategies for 2008 without any last minute modifications. ■

Helpful Links . . .

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