

# 2020 Health Savings Account (HSA) Cost of Living Adjustments

The Internal Revenue Service (IRS) has announced in Revenue Procedure 2019-25 the annual cost of living adjustments for Health Savings Account (HSA) contribution limits for calendar year 2020. These limits apply for qualifying High Deductible Health Plan (HDHP) deductibles and out-of-pocket maximums.

	<u>2020</u>	<u>2019</u>
Limit on HSA Contributions* – single coverage	\$3,550	\$3,500
Limit on HSA Contributions* – family coverage	\$7,100	\$7,000
HDHP Required Minimum Deductible – single coverage	\$1,400	\$1,350
HDHP Required Minimum Deductible – family coverage	\$2,800	\$2,700
HDHP Out-of-Pocket Maximum – single coverage	\$6,900	\$6,750
HDHP Out-of-Pocket Maximum – family coverage	\$13,800	\$13,500
HSA Catch-up Contribution	\$1,000	\$1,000

\*The above figures do not include the catch-up contribution limit, which is \$1,000 for participants age 55 or older. Catch-up contributions can be made any time during the year in which the HSA participant turns 55.

Individuals who participate in an HDHP are permitted a deduction for contributions to HSAs set up to help pay the medical expenses of the participant, spouse and/or dependents. To be eligible to contribute to an HSA, individuals must participate in an HDHP, which is defined as a health plan with an annual deductible that is not less than the minimum deductibles noted above and for which the annual out-of-pocket expenses — including deductibles, co-payments and other amounts, but excluding premiums — does not exceed the out-of-pocket maximum annually. In addition, individuals may not receive benefits from other health plans that would be construed as impermissible coverage, such as a general-purpose health flexible spending account, certain prescription drug benefits, etc. The limits noted above are subject to an inflation adjustment each year.

## Helpful Health Savings Account Links

**U.S. Department of Treasury**

<http://www.treasury.gov/resource-center/faqs/Taxes/Pages/Health-Savings-Accounts.aspx>

**IRS**

<https://www.irs.gov/forms-pubs/about-publication-969>

**UMB**

<https://hsa.umb.com/>