

2023 HSA Contribution Limits Released by IRS

The IRS has announced increases to the 2023 Health Savings Account (HSA) contribution limits. The rates take into account inflation and cost-of-living adjustments, as well as rounding rules under Internal Revenue Code Section 223. The 2023 increases are higher than those seen in previous years because of the recent jump in inflation. The self-only limit increased by \$200 from 2022, while the family limit increased by \$450. Minimum deductible and maximum out-of-pocket expenses for the high deductible health plans (HDHPs) that function with HSAs will also see significant increases as shown in the table below.

Contributions and Out-of-Pocket Limits for Health Savings Accounts and High Deductible Health Plans			
	For 2022	For 2023	Change
HSA contribution limit (employer + employee)	Self-only: \$3,650 Family: \$7,300	Self-only: \$3,850 Family: \$7,750	Self-only: +\$200 Family: +\$450
HSA catch-up contributions (age 55 or older)*	\$1,000	\$1,000	No change**
HDHP minimum deductibles	Self-only: \$1,400 Family: \$2,800	Self-only: \$1,500 Family: \$3,000	Self-only: +\$100 Family: +\$200
HDHP maximum out-of-pocket amounts (deductibles, copays and other amounts, but not premiums)	Self-only: \$7,050 Family: \$14,100	Self-only: \$7,500 Family: \$15,000	Self-only: +\$450 Family: +\$900
* Catch-up contributions can be made any time during the year in which the HSA participant turns 55 and then annually until age 65 or until they enroll in Medicare. ** Unlike other limits, the HSA catch-up contribution amount is not indexed; any increase would require statutory change.			

HSAs are always set up under an individual's name and are never held jointly. When the HSA is linked to a family or an employee plus one HDHP, the HSA is subject to the higher family coverage contribution limit. The IRS has not established an "employee plus one" category for contribution limits. Employees who exceed the contribution limit face an annual 6 percent excise penalty tax on the excess amount unless it is withdrawn from the HSA before the tax deadline for that year.

WHAT THIS MEANS FOR COUNTIES

For 2023, the individual IRS contribution limit for HSAs increased by \$200 while the family limit increased by \$450. An individual enrolled in "employee plus one" coverage will be subject to the family contribution limit. The County Health Pool will provide updates regarding IRS contribution limits for upcoming years. For more information, contact CTSI at 303-861-0507.