HSA/HDHP Limits Increase for 2023



Important Dates



Highlights

* Each year, the IRS announces inflation-adjusted limits for HSAs and HDHPs.
* By law, the IRS is required to announce these limits by June 1 of each year.
* The adjusted contribution limits for HSAs take effect as of Jan. 1, 2023.
* The adjusted HDHP cost-sharing limits take effect for the plan year beginning on or after Jan. 1, 2023.

On April 29, 2022, the IRS released [Revenue Procedure 2022-24](https://www.irs.gov/pub/irs-drop/rp-22-24.pdf) to provide the inflation-adjusted limits for health savings accounts (HSAs) and high deductible health plans (HDHPs) for 2023. The IRS is required to publish these limits by June 1 of each year.

These limits include:

* The maximum HSA contribution limit;
* The minimum deductible amount for HDHPs; and
* The maximum out-of-pocket expense limit for HDHPs.

These limits vary based on whether an individual has self-only or family coverage under an HDHP.

Eligible individuals with self-only HDHP coverage will be able to contribute **$3,850** to their HSAs for 2023, up from $3,650 for 2022. Eligible individuals with family HDHP coverage will be able to contribute **$7,750** to their HSAs for 2023, up from $7,300 for 2022. Individuals age 55 or older may make an additional $1,000 “catch-up” contribution to their HSAs.

The minimum deductible amount for HDHPs increases to **$1,500** for self-only coverage and **$3,000** for family coverage for 2023 (up from $1,400 for self-only coverage and $2,800 for family coverage for 2022). The HDHP maximum out-of-pocket expense limit increases to **$7,500** for self-only coverage and **$15,000** for family coverage for 2023 (up from $7,050 for self-only coverage and $14,100 for family coverage for 2022).

January 1, 2023

The new contribution limits for HSAs become effective.

2023 Plan Years

The HDHP cost-sharing limits for 2023 apply for plan years beginning on or after Jan. 1, 2023.



Action Steps

Employers that sponsor HDHPs should review their plan’s cost-sharing limits (minimum deductibles and maximum out-of-pocket expense limit) when preparing for the plan year beginning in 2023. Also, employers that allow employees to make pre-tax HSA contributions should update their plan communications for the increased contribution limits. **are enforced.**

Provided to you by **ENV Insurance Agency**

HSA/HDHP Limits

The following chart shows the HSA and HDHP limits for 2023 as compared to 2022. It also includes the catch-up contribution limit that applies to HSA-eligible individuals who are age 55 or older, which is not adjusted for inflation and stays the same from year to year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of Limit** | | **2022** | **2023** | **Change** |
| **HSA Contribution Limit** | Self-only | $3,650 | $3,850 | **Up $200** |
| Family | $7,300 | $7,750 | **Up $450** |
| **HSA Catch-up Contributions** *(not subject to adjustment for inflation)* | Age 55 or older | $1,000 | $1,000 | No change |
| **HDHP Minimum Deductible** | Self-only | $1,400 | $1,500 | **Up $100** |
| Family | $2,800 | $3,000 | **Up $200** |
| **HDHP Maximum Out-of-pocket Expense Limit** *(deductibles, copayments and other amounts, but not premiums)* | Self-only | $7,050 | $7,500 | **Up $450** |
| Family | $14,100 | $15,000 | **Up $900** |