



## **IRS Reduces 2018 Maximum Family HSA Contribution**

**Issue Date: March 2018**

The Internal Revenue Service (IRS) yesterday announced that it has reduced the maximum permitted annual Health Savings Account (HSA) contribution for family coverage to \$6,850 for 2018. This \$50 annual reduction – to comply with changes in calculating annual cost of living adjustments mandated by the Tax Cuts & Jobs Act of 2017 – is effective as of January 1, 2018.

Employers with HSAs should notify affected individuals, amend plan materials and communications and adjust salary reductions as necessary. Employers may wish to contact their HSA vendors for assistance and to coordinate any communications they might plan to issue. In the event any employees have already contributed the original \$6,900 maximum 2018 HSA contribution, they will need to be refunded the excess amount.

The IRS left the 2018 minimum deductible and maximum out-of-pocket limits for high-deductible health plans (HDHP) intact and made no changes to permitted HSA catch-up contributions.

*Please be aware that this does not represent legal or tax advice and is only Frenkel's interpretation of the laws, regulations and statutes. It is highly recommended that you seek the advice of your legal and tax professional as to the applicability of this information to your particular situation.*