



Taben News Alert

IRS Announces 2013 HSA Limits

The IRS has announced adjustments to health savings accounts for 2013 in [Revenue Procedure 2012-26](#)

The IRS reviews health savings accounts on an annual basis and may change from year to year the requirements (deductible and out-of-pocket maximums) for a major medical plan to be a Qualified High Deductible Health Plan (QHDHP). The IRS also determines on an annual basis the amount those enrolled in individual and family QHDHPs can contribute to an HSA. The HSA contribution limits and high deductible health plan out-of-pocket maximums are up from 2012. For the first time in three years, the HDHP minimum required deductibles have increased.

HSA's are tax-exempt accounts that help people save money for eligible medical expenses. These plans offer accountholders triple tax savings.

- Earnings in the HSA are not taxed
- Distributions are not taxed in utilized for qualified expenses
- At age 65, distributions for non-qualified expenses are taxed as income but not penalized

In order to qualify to open and contribute to an HSA, the policyholder must be enrolled in an qualified high deductible health plan, must not be covered by other non-HDHP health insurance or Medicare, and cannot be claimed as a dependent on someone else's tax return.

2013 HSA contribution limits:

- Individuals (self-only coverage) - \$3,250 (up \$150 from 2012)
- Family coverage - \$6,450 (up \$200 from 2012)

2012 HDHP minimum required deductibles:

- \$1,250 for self-only coverage
- \$2,500for family coverage

2012 Out-of-pocket maximum:

(Out-of-pocket expenses include deductibles, co-payments, and other amounts, but not premiums)

- \$6,250 for self-only coverage
- \$12,500 for family coverage