



## LEGISLATIVE BRIEF

### IRS Increases Health Savings Account Limits

On May 17, 2011, the Internal Revenue Service (IRS) released IRS Notice 2011-32, which makes changes to Health Savings Accounts (HSAs) effective for **calendar year 2012**. The notice makes changes to:

- Annual contribution limitations for single and family coverage; and
- Maximum out-of-pocket employee expense for single and family coverage under a high deductible health plan.

This The Wright Group Services Legislative Brief provides a summary of IRS Notice 2011-32.

#### **2012 HSA CONTRIBUTION LIMITS**

An employee must be enrolled in a high deductible health plan (HDHP) in order to qualify for an HSA. Under IRS Revenue Procedure 2011-32, an individual with single coverage under an HDHP may make up to **\$3,100** in deductible contributions to his or her HSA, up from \$3,050 in 2011. An individual with family coverage under an HDHP may make up to **\$6,250** in annual deductible contributions, up from \$6,150 in 2011.

#### **2012 OUT-OF-POCKET EXPENSE LIMITS**

The maximum out-of-pocket employee expense under an HDHP, including deductibles, will increase next year to **\$6,050** for single coverage, up from \$5,950 in 2011. For family coverage, the maximum out-of-pocket employee expense will increase to **\$12,100** next year, from \$11,900 in 2011. The out-of-pocket expense does not include insurance premiums.

#### **DEDUCTIBLES**

The deductibles under an HDHP must be at least **\$1,200** for single coverage and **\$2,400** for family coverage. These deductibles were not increased from the 2011 requirements and will remain the same for the 2012 calendar year.

#### **EFFECTIVE DATE**

These new limits are effective for **calendar year 2012**.

#### **MORE INFORMATION**

For a copy of IRS Notice 2011-32, see [www.irs.gov/pub/irs-drop/rp-11-32.pdf](http://www.irs.gov/pub/irs-drop/rp-11-32.pdf).



**The Wright Group Services**

*Connecting Employers with  
Benefits, Risk Management  
& Insurance Solutions*

This The Wright Group Services Legislative Brief is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

© 2011 Zywave, Inc. All rights reserved.

KMP 5/11