2020 HDHP and HSA Limits Announced

The United States Treasury Department has released the dollar limits for both Health Savings Accounts (HSAs) and High Deductible Health Plans (HDHPs) for the calendar year 2020. HSAs are tax-exempt savings vehicles funded by individual and/or employer contributions that may be used to pay for qualified medical expenses. To be eligible for an HSA, an individual must be covered by an HDHP and must not be covered by other health insurance that is not an HDHP.

**HSAs**

For those persons enrolled in individual coverage, the maximum contribution increases to $3,550 for calendar year 2020 (a $50 increase from 2019). With respect to family coverage, the maximum contribution increases to $7,100 (a $100 increase from 2019).

The catch-up contribution limit will remain unchanged from previous years. (Catch-up contributions are contributions that individuals age 55 and older are permitted to make until he/she enrolls in Medicare.) Specifically, the catch-up contribution limit remains at $1,000.

**HDHPs**

With respect to HDHPs, the minimum annual deductible for calendar year 2020 increases to $1,400 for an individual with self-only coverage (a $50 increase from 2019), and increases to $2,800 for an individual with family coverage (a $100 increase from 2019).

Finally, the maximum annual out-of-pocket expenses for 2020 in connection with HDHPs increases to $6,900 for one with individual coverage (a $150 increase from 2019), and $13,800 for one with family coverage (a $300 increase from 2019).

For any additional questions, please contact a member of your TRG Account Management Team.