



EMPLOYEE BENEFITS BULLETIN

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2010 HSA COST OF LIVING ADJUSTMENTS

The IRS has announced the inflation adjustments for health savings accounts (HSAs) and their accompanying high deductible health plans (HDHPs) for 2010 in Rev. Proc. 2009-29.

Annual contribution limitation. For calendar year 2010, the limitation on deductions for an individual with **self-only coverage** under an HDHP is **\$3,050** (up from \$3,000) and is **\$6,150** (up from \$5,950) for an individual with **family coverage**.

High deductible health plan. For calendar year 2010, an HDHP is defined as a health plan with an **annual deductible that is not less than \$1,200** (up from \$1,150) **for self-only coverage** or **\$2,400** (up from \$2,300) **for family coverage**, and under which the **annual out-of-pocket expenses** (deductibles, co-payments, and other amounts, but not premiums) **do not exceed \$5,950** (up from \$5,800) **for self-only coverage** or **\$11,900** (up from \$11,600) **for family coverage**.

Non-calendar year plans. In cases where the HDHP renewal date is after the beginning of the calendar year (i.e. a fiscal year HDHP), any required changes to the annual deductible or out-of-pocket maximum may be implemented as of the next renewal date.

Catch-up amounts. While not part of the inflation adjustment contained in Rev. Proc. 2009-29, the catch-up contribution under HSAs for those age 55 or older remains at \$1,000 for 2010 and thereafter under the terms of Code section 223(b)(3)(B).

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