



## The Vita Viewpoint Important Information for Decision Makers

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### IRS Announces 2005 COLAs for Health Savings Accounts

#### Overview

The Internal Revenue Service has announced the 2005 cost-of-living adjustments applicable to dollar limitations for Health Savings Accounts as well as underlying High Deductible Health Plans.

#### HDHP Policy Limits

		<u>2004</u>	<u>2005</u>
Minimum Deductible	<i>Individual</i>	\$1,000	\$1,000
	<i>Family</i>	\$2,000	\$2,000
Maximum Out of Pocket Maximum	<i>Individual</i>	\$5,000	\$5,100
	<i>Family</i>	\$10,000	\$10,200

#### HSA Account Limits

		<u>2004</u>	<u>2005</u>
Maximum HSA Contribution (Lesser of Deductible or Limit)	<i>Individual</i>	\$2,600	\$2,650
	<i>Family</i>	\$5,150	\$5,250
Over Age 55 Catch-up Contribution		\$500	\$600

Both the HSA contribution maximum and the catch-up contribution maximum are pro-rated for the number of months the taxpayer is actually eligible to contribute to the HSA account.

***For questions or additional information, please contact Vita Benefits Group at (650) 968-8811.***