



The Vita Viewpoint Important Information for Decision Makers

IRS Announces New 2008 Limits for Health Savings Accounts

Overview

The Internal Revenue Service has announced cost-of-living adjustments to the dollar limitations for Health Savings Accounts as well as underlying High Deductible Health Plans. The new limits will go into effect on January 1, 2008.

High Deductible Health Plan Policy Limits

		<u>2007</u>	<u>2008</u>
Minimum Deductible (unchanged from 2007)	<i>Individual</i>	\$1,100	\$1,100
	<i>Family</i>	\$2,200	\$2,200
Maximum Out of Pocket Limit	<i>Individual</i>	\$5,500	\$5,600
	<i>Family</i>	\$11,000	\$11,200

Health Savings Account Limits

		<u>2007</u>	<u>2008</u>
Maximum HSA Contribution	<i>Individual</i>	\$2,850	\$2,900
	<i>Family</i>	\$5,650	\$5,800
Over Age 55 Catch-up Contribution		\$800	\$900

Reminder About Change to Contribution Rules

The HSA regulations changed last year so that monthly HSA contributions are no longer restricted to 1/12 of the *actual* deductible. Under the new rules, any amount can be contributed to an HSA up to the maximum contribution outlined above, regardless of the actual deductible of the underlying HDHP plan.

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