



## The Vita Viewpoint Important Information for Decision Makers

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### IRS Announces New 2010 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 qualifying High Deductible Health Plans. The new limits will go into effect on January 1, 2010.

#### High Deductible Health Plan Policy Limits

		<u>2009</u>	<u>2010</u>
Minimum Deductible	<i>Individual</i>	\$1,150	\$1,200
	<i>Family</i>	\$2,300	\$2,400
Maximum Out of Pocket Limit	<i>Individual</i>	\$5,800	\$5,950
	<i>Family</i>	\$11,600	\$11,900

#### Health Savings Account Limits

		<u>2009</u>	<u>2010</u>
Maximum HSA Contribution	<i>Individual</i>	\$3,000	\$3,050
	<i>Family</i>	\$5,950	\$6,150
Over Age 55 Catch-up Contribution		\$1,000	\$1,000

#### Reminder About Contribution Rules

Any amount can be contributed to an HSA up to the maximum annual contribution, regardless of the actual deductible of the underlying HDHP plan. The HSA contribution rules assume that you will be enrolled in a high deductible health plan for 12 consecutive months.

#### Embedded Deductibles on HSA Qualified HDHP

Many qualified high deductible health plans have an aggregate family deductible. If an employee covers any dependents on such a plan the family deductible applies and the individual deductible is not taken into consideration. However, there are some plans that have an embedded individual deductible such that if one member of the family meets the embedded individual deductible, then the plan coinsurance would start to pay once that individual deductible is met. In order for such a plan to be a qualified HDHP, the embedded individual deductible must be at least the minimum family deductible outlined above. As an example, these types of plans would need to have an embedded individual deductible of \$2,400 to remain HSA qualified in 2010.

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