



The Vita Viewpoint Important Information for Decision Makers

IRS Announces HSA Limits for 2011 – No Change from 2010

Overview

The Internal Revenue Service has announced the dollar limitations for Health Savings Accounts as well as underlying qualifying High Deductible Health Plans. The limits for 2011 will remain the same as those in 2010.

High Deductible Health Plan Policy Limits

		<u>2010</u>	<u>2011</u>
Minimum Deductible	<i>Individual</i>	\$1,200	\$1,200
	<i>Family</i>	\$2,400	\$2,400
Maximum Out of Pocket Limit	<i>Individual</i>	\$5,950	\$5,950
	<i>Family</i>	\$11,900	\$11,900

Health Savings Account Limits

		<u>2010</u>	<u>2011</u>
Maximum HSA Contribution	<i>Individual</i>	\$3,050	\$3,050
	<i>Family</i>	\$6,150	\$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 on a high deductible health plan for 12 consecutive months.

Embedded Deductibles on an HSA-Qualified HDHP

Many qualified high deductible health plans have an aggregate family deductible so that if an employee covers any dependents on the 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 2011.

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