



IRS Announces 2013 Inflation Adjusted Amounts for Health Savings Accounts



The IRS has announced new inflation adjusted amounts applicable in 2013 for Health Savings Accounts (HSAs). An HSA is a tax-advantaged account that's paired with a high-deductible health plan (HDHP). An HDHP is "catastrophic" health coverage that pays benefits (with some exceptions) only after you've satisfied a high annual deductible. For 2013, the annual deductible for an HSA-qualified HDHP must be at least \$1,250 for individual coverage and \$2,500 for family coverage (up from \$1,200 and \$2,400 respectively, in 2012).

Once you've satisfied your deductible, the HDHP will provide comprehensive coverage for your medical expenses (though you may continue to owe co-payments or coinsurance costs until you reach your plan's annual out-of-pocket limit). In 2013, a qualifying HDHP must limit annual out-of-pocket expenses (including the deductible) to no more than \$6,250 for individual coverage (\$6,050 in 2012) and \$12,500 for family coverage (\$12,100 for 2012). Once this limit is reached, the HDHP will cover 100% of your costs, as outlined in your policy.

For 2013, you can contribute up to \$3,250 to an HSA for individual coverage (up \$150 from 2012) and \$6,450 for family coverage (a \$200 increase from 2012). This annual limit applies to all contributions, whether they're made by you, your employer, or your family members.



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