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Health Savings Account/High Deductible Health Plan Limits for 2012

This Employee Benefits Update provides information on Health Savings Account ("HSA") and related High Deductible Health Plan ("HDHP") limits for 2012.

The IRS has issued Revenue Procedure 2011-32 which provides that the annual limit on deductions for self-only coverage under an HDHP will be \$3,100 and for family coverage will be \$6,250. The annual out-of-pocket expenses limit for 2012 will be \$6,050 for self-only coverage and \$12,100 for family coverage. The deductible limits for HDHPs for 2012 will remain at \$1,200 for self-only and \$2,400 for family coverage.

For a copy of the Revenue Procedure, go to: <http://www.treasury.gov/resource-center/tax-policy/Pages/HSA-2012-indexed-amounts.aspx>.

As a side note, certain of the HSA/HDHP limits were incorporated as reference points for the Health Care Reform cost-sharing limitations in plans providing essential health benefits for 2014. Thus, these limits may be of increasing importance as Health Care Reform implementation continues to roll out.

What should employers do?

- Coordinate with providers to ensure that any HSAs and HDHPs are in compliance by 2012.
- Update documentation as necessary.
- Evaluate the effect of any benefit changes on overall Health Care Reform compliance, including grandfathered plan status.

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