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The IRS released the inflation adjustments for health savings accounts (“HSAs”) and their accompanying high deductible health plans (“HDHPs”) effective for calendar year 2023, and the maximum amount that may be made newly available for excepted benefit health reimbursement arrangements (“HRAs”). All limits have increased from the 2022 amounts, some significantly.

For the Bulletin, see Rev. Proc. 2022-24, April 29, 2021, <https://www.irs.gov/pub/irs-drop/rp-22-24.pdf>.

## Annual Contribution Limitation

For calendar year 2023, the limitation on deductions for an individual with self-only coverage under a high deductible health plan is \$3,850; the limitation on deductions for an individual with family coverage under a high deductible health plan is \$7,750.

## High Deductible Health Plan

For calendar year 2023, a “high deductible health plan” is defined as a health plan with an annual deductible that is not less than \$1,500 for self-only coverage or \$3,000 for family coverage, and the annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums) do not exceed \$7,500 for self-only coverage or \$15,000 for family coverage.

Non-calendar year plans: In cases where the HDHP renewal date is after the beginning of the calendar year (i.e., a fiscal year HDHP), any required changes to the annual deductible or out-of-pocket maximum may be implemented as of the next renewal date. See IRS Notice 2004-50, 2004-33 I.R.B. 196, Q/A-86 (Aug.16, 2004).

## Catch-up Contribution

Individuals who are age 55 or older and covered by a qualified high deductible health plan may make additional catch-up contributions each year until they enroll in Medicare. The additional contribution, as outlined by the statute, is \$1,000 for 2009 and thereafter.

## Excepted Benefit HRA Adjustment

For plan years beginning in 2023, the maximum amount for an excepted benefit HRA that may be made newly available for the plan year is \$1,950.