

## IRS's New 2021 HSA and HDHP Limits

May 21, 2020

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Limits for 2021 are as follows:

- The IRS defines an HDHP as “a health plan with an annual deductible that is not less than \$1,400 for self-only coverage and \$2,800 for family coverage.”
- Out-of-pocket expenses (deductibles, copayments, and other amounts, but not premiums) for HDHPs cannot exceed \$7,000 annually for self-only coverage and \$14,000 annually for family coverage.
- Individuals with self-only coverage have a limit of \$3,600 for their 2021 annual contributions to an HSA. Individuals with family coverage under an HDHP have an annual contribution limit to an HSA of \$7,200.

The table below compares the 2020 and 2021 limits:

	2020 Individual	2020 Family	2021 Individual	2021 Family
<b>HSA Contribution Adjusted Limit</b>	\$3,550	\$7,100	\$3,600	\$7,200
<b>HDHP Deductible Adjusted Limit</b>	\$1,400	\$2,800	\$1,400	\$2,800
<b>HDHP Out-of-Pocket</b>	\$6,900	\$13,800	\$7,000	\$14,000

## **Adjusted Limit**

In light of these changes, employers that sponsor health plans that include an HDHP/HSA option may want to revise their communications to plan participants to ensure that they are updated accordingly. Employers may also want to ensure that 2021 open enrollment materials accurately reflect these limits.

### **TOPICS**

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