

COMPLIANCE ALERT



EMPLOYEE BENEFITS | MAY 4, 2022

IRS Releases 2023 HSA Contribution Limits and HDHP Deductible and Out-of-Pocket Limits

In [Rev. Proc. 2022-24](#), the IRS released the inflation adjusted amounts for 2023 relevant to Health Savings Accounts (HSAs) and high deductible health plans (HDHPs). The table below summarizes those adjustments and other applicable limits.

	2023	2022	Change
Annual HSA Contribution Limit (employer and employee)	Self-only: \$3,850	Self-only: \$1,400	Self-only: +\$200
	Family: \$7,750	Family: \$2,800	Family: +\$450
HSA catch-up contributions (age 55 or older)	\$1,000	\$1,000	No change
Minimum Annual HDHP Deductible	Self-only: \$1,500	Self-only: \$1,400	Self-only: +\$100
	Family: \$3,000	Family: \$2,800	
Maximum Out-of-Pocket for HDHP (deductibles, co-payment & other amounts except premiums)	Self-only: \$7,500	Self-only: \$7,050	Self-only: +\$450
	Family: \$15,000	Family: \$14,100	Family: +\$900

Out-of-Pocket Limits Applicable to Non-Grandfathered Plans

The ACA's out-of-pocket limits for in-network essential health benefits have also been announced and have increased for 2023.

	2023	2022	Change
ACA Maximum Out-of-Pocket	Self-only: \$9,100	Self-only: \$8,700	Self-only: +\$400
	Family: \$18,200	Family: \$17,400	Family: +\$800

Note that all non-grandfathered group health plans must contain an embedded individual out-of-pocket limit within family coverage if the family out-of-pocket limit is above \$9,100 (2023 plan years) or \$8,700 (2022 plan years). Exceptions to the ACA's out-of-pocket limit rule are available for certain small group plans eligible for transition relief (referred to as "Grandmothered" plans). While historically CMS has renewed the transition relief for Grandmothered plans each year, it [announced in March](#) that the transition relief will remain in effect until it announces that all such coverage must come into compliance with the specified requirements.

Next Steps for Employers

As employers prepare for the **2023 plan year**, they should keep in mind the following rules and ensure that any plan materials and participant communications reflect the new limits:

- HSA-qualified family HDHPs cannot have an embedded individual deductible that is lower than the minimum family deductible of \$3,000.
- The out-of-pocket maximum for family coverage for an HSA-qualified HDHP cannot be higher than \$15,000.
- All non-grandfathered plans (whether HDHP or non-HDHP) must cap out-of-pocket spending at \$9,100 for any covered person. A family plan with an out-of-pocket maximum in excess of \$9,100 can satisfy this rule by embedding an individual out-of-pocket maximum in the plan that is no higher than \$9,100. This means that for the 2023 plan year, an HDHP subject to the ACA out-of-pocket limit rules may have a \$7,500 (self-only)/\$15,000 (family) out-of-pocket limit (and be HSA-compliant) so long as there is an embedded individual out-of-pocket limit in the family tier no greater than \$9,100 (so that it is also ACA-compliant).

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