



ATTENTION HSA ENROLLEES

2019 HSA CONTRIBUTION LIMITS

June 13, 2018

Explanation of IRS Update

The IRS has recently announced important changes to its annual HSA contribution limits, effective January 1, 2019. As you are aware, participants enrolled in an HSA-qualified high deductible health plan may contribute to an HSA with pre-tax contributions. However, the IRS sets limits on the amount you can deposit within a given calendar year. The new annual contribution limits for 2019 are as follows:

Annual HSA Contribution Limits

	2018	2019	Increase
Maximum Contribution Limit For Individual Plans	\$3,450	\$3,500	\$50
Maximum Contribution Limit For Family Plans	\$6,900	\$7,000	\$100
Catch-up Contribution (55+)	\$1,000	\$1,000	No Change



How to Maximize Your HSA

Contributing to your HSA allows you to take advantage of multiple tax benefits offered by the IRS. Funds contributed to your HSA are tax-deductible, or if contributed through a payroll deduction, they are made pretax. Your take-home pay increases and health care expenses become more affordable. Also, unused funds roll over from year to year, allowing you to plan for health expenditures in the long term.



Tax Savings Illustration

This example is for illustrative purposes only and does not represent actual tax impact. Individual results will vary.

	Not Enrolled in an HSA	Enrolled in an HSA
Before-Tax Annual Income	\$38,000	\$38,000
HSA Contribution	\$0	-\$500
Taxable Annual Income	\$38,000	\$37,500
Payroll Taxes	-\$10,127	-\$9,994
Out of Pocket Expenses	-\$500	\$0
Take-Home Annual Income	\$27,373	\$27,506
Tax Savings	\$0	\$133

This communication has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction. HSAs are not insurance. HSAs are individual accounts, and are subject to eligibility and restrictions, including but not limited to, restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code.



London Health Administrators. 40 Commercial Way, E. Providence, RI 02914.
P# 401-435-4700. Web: www.londonhealthusa.com