

May 2021

HSA/HDHP Limits Increase for 2022

Each year, the IRS announces inflation-adjusted limits for Health Savings Accounts (HSAs) and High Deductible Health Plans (HDHPs). By law, the IRS is required to announce these limits by June 1 of each year.

These limits include:

- The maximum HSA contribution limit;
- The minimum deductible amount for HDHPs; and
- The maximum out-of-pocket expense limit for HDHPs.

These limits vary based on whether an individual has self-only or family coverage under an HDHP. Eligible individuals with self-only HDHP coverage will be able to contribute \$3,650 to their HSAs for 2022, up from \$3,600 for 2021. Eligible individuals with family HDHP coverage will be able to contribute \$7,300 to their HSAs for 2022, up from \$7,200 for 2021. Individuals who are age 55 or older are permitted to make an additional \$1,000 “catch-up” contribution to their HSAs.

The minimum deductible amount for HDHPs remains the same for 2022 plan years (\$1,400 for self-only coverage and \$2,800 for family coverage). However, the HDHP maximum out-of-pocket expense limit increases to \$7,050 for self-only coverage and \$14,100 for family coverage.

HSA/HDHP Limits

The following chart shows the HSA and HDHP limits for 2022 as compared to 2021. It also includes the catch-up contribution limit that applies to HSA-eligible individuals who are age 55 or older, which is not adjusted for inflation and stays the same from year to year.

Type of Limit		2021	2022	Change
HSA Contribution Limit	Self-only	\$3,600	\$3,650	Up \$50
	Family	\$7,200	\$7,300	Up \$100
HSA Catch-up Contributions <i>(not subject to inflation adjustment)</i>	Age 55 or older	\$1,000	\$1,000	No change
HDHP Minimum Deductible	Self-only	\$1,400	\$1,400	No change
	Family	\$2,800	\$2,800	No change
HDHP Maximum Out-of-pocket Expense Limit <i>(deductibles, copayments and other amounts, but not premiums)</i>	Self-only	\$7,000	\$7,050	Up \$50
	Family	\$14,000	\$14,100	Up \$100

Employer Action

Employers that sponsor HDHPs should review their plan’s cost-sharing limits (minimum deductibles and maximum out-of-pocket expense limit) when preparing for the plan year beginning in 2022. The HDHP cost-sharing limits for 2022 apply for plan years beginning on or after Jan. 1, 2022. Also, employers that allow employees to make pre-tax HSA contributions should update their plan communications for the increased contribution limits. The new contribution limits for HSAs become effective January 1, 2022.

Please Note: The information contained in this letter is not legal advice and should not be relied upon or construed as legal advice. This letter is for general informational purposes only and does not purport to be complete or cover every situation. Please consult your own legal advisors to determine how these laws affect you.