

May 14, 2008

MEMORANDUM TO CLIENTS

IRS Announces 2009 HSA/HDHP Limits

The Internal Revenue Service ("IRS") announced the 2009 annual contribution limits for health savings accounts ("HSAs") and the minimum deductible and maximum out-of-pocket limits for accompanying high deductible health plans ("HDHPs") on May 13th-- over two weeks ahead of the statutory notice deadline of June 1st.

Revenue Procedure 2008-29 amends and supersedes Revenue Procedure 2007-36 to establish the following limits for 2009:

Annual HSA Contribution Limit: Self-only: \$3,000 Family: \$5,950

For 2009, the limit on HSA contributions for an individual with self-only coverage under an HDHP is \$3,000, up from \$2,900 in 2008. The 2009 annual contribution limit for an individual with family HDHP coverage is \$5,950, up from \$5,800 in 2008. For 2009 and future years, individuals who are age 55 or older may also make an additional \$1000 catch-up contribution, up from \$900 in 2008.

**HDHP Limits: Minimum Deductible: Self-only: \$1,150 Family: \$2,300
Maximum Out-of-pocket: Self-only: \$5,800 Family: \$11,600**

For 2009, an HDHP is a health plan with an annual deductible not less than \$1,150 for self-only coverage and \$2,300 for family coverage. The 2008 limits were \$1,100 and \$2,200, respectively.

For 2009, an HDHP's annual out-of-pocket expense limit may not exceed \$5,800 for self-only coverage and \$11,600 for family coverage. The 2008 limits were \$5,600 and \$11,200, respectively.

2009 HSA Contribution/HDHP Limits

2009 Limits	Self-Only	Family
Annual Contribution Limit	\$3,000	\$5,950
Catch-up Contribution	\$1000 per individual over age 55	\$1000 per individual over age 55
Minimum Deductible	\$1,150	\$2,300
Maximum Out-of-Pocket	\$5,800	\$11,600

For more information on HSAs or on how to incorporate the changes into existing health plans contact Chris Keller, Bill Sweetnam, Brigen Winters or Heather Meade.

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If you have any questions, please contact your regular Groom contact or any of the

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