

Client Alert

IRS Releases 2022 HSA Contribution Limits and HDHP Deductible and Out-of-Pocket Limits

In [Rev. Proc. 2021-25](#), the IRS released the inflation adjusted amounts for 2022 relevant to Health Savings Accounts (HSAs) and high deductible health plans (HDHPs). The table below summarizes those adjustments and other applicable limits.

| | 2022 | 2021 | Change |
|--|--|--|------------------------------------|
| Annual HSA Contribution Limit (employer and employee) | Self-only: \$3,650 Family: \$7,300 | Self-only: \$3,600 Family: \$7,200 | Self-only: +\$50 Family: +\$100 |
| HSA catch-up contributions (age 55 or older) | \$1,000 | \$1,000 | No change |
| Minimum Annual HDHP Deductible | Self-only: \$1,400 Family: \$2,800 | Self-only: \$1,400 Family: \$2,800 | No change |
| Maximum Out-of-Pocket for HDHP (deductibles, co-payment & other amounts except premiums) | Self-only: \$7,050 Family: \$14,100 | Self-only: \$7,000 Family: \$14,000 | Self-only: +\$50 Family: +\$100 |

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 2022.

| | 2022 | 2021 | Change |
|----------------------------------|--|--|-------------------------------------|
| ACA Maximum Out-of-Pocket | Self-only: \$8,700 Family: \$17,400 | Self-only: \$8,550 Family: \$17,100 | Self-only: +\$150 Family: +\$300 |

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 \$8,700 (2022 plan years) or \$8,550 (2021 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). A [one-year extension of transition relief](#) was announced on January 19, extending the transition relief to policy years beginning on or before October 1, 2022, provided that all policies end by December 31, 2022. (This transition relief has been extended each year since the initial announcement on November 14, 2013.)

Next Steps for Employers

As employers prepare for **the 2022 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 \$2,800.
- The out-of-pocket maximum for family coverage for an HSA-qualified HDHP cannot be higher than \$14,100.
- All non-grandfathered plans (whether HDHP or non-HDHP) must cap out-of-pocket spending at \$8,700 for any covered person. A family plan with an out-of-pocket maximum in excess of \$8,700 can satisfy this rule by embedding an individual out-of-pocket maximum in the plan that is no higher than \$8,700. This means that for the 2022 plan year, an HDHP subject to the ACA out-of-pocket limit rules may have a \$7,050 (self-only)/\$14,100 (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 \$8,700 (so that it is also ACA-compliant).

About the Author. This alert was prepared for Rubicon Benefits, LLC by Marathas Barrow Weatherhead Lent LLP, a national law firm with recognized experts on the Affordable Care Act. Contact Stacy Barrow at sbarrow@marbarlaw.com or info@rubiconbenefits.com.

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