

**September 1, 2009****RE: Current Events Memorandum  
Health Savings Accounts Changes**

Individuals and businesses buy less expensive health insurance policies with high deductibles using Health Savings Accounts (HSAs). Contributions to the accounts are made on a pre-tax basis. The money can accumulate year after year tax free. It can be withdrawn tax free to pay for a variety of medical expenses such as doctor visits, prescriptions, chiropractic care and premiums for long term-care insurance. Participating employers can also contribute to accounts on behalf of their employees.

The 2010 limits for individual and family coverage have been announced by the IRS (IRS Revenue Procedure 2009-29). They are compared with the 2009 limits below.

Health Savings Accounts	2009	2010
Self-only coverage annual minimum deductible	\$1,150	\$1,200
Self-only coverage maximum out of pocket	\$5,800	\$5,950
Self-only coverage maximum HSA Contribution	\$3,000	\$3,050
Family coverage annual Minimum deductible (Family coverage can include a spouse and any dependents)	\$2,300	\$2,400
Family coverage maximum out of pocket	\$11,600	\$11,900
Family coverage maximum HSA contribution	\$5,950	\$6,150