



IRS Releases 2023 HSA Contribution Limits and HDHP Deductible and Out-of-Pocket Limits

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This alert is of interest to employers that sponsor HSA-qualified plans or plans subject to the ACA out-of-pocket limits.

In [Rev. Proc. 2022-24](#), the IRS released the inflation-adjusted amounts for 2023 relevant to Health Savings Accounts (HSAs) and high deductible health plans (HDHPs). The table below summarizes those adjustments and other applicable limits.

	2023	2022	Change
Annual HSA Contribution Limit (employer and employee)	Self-only: \$3,850 Family: \$7,750	Self-only: \$3,650 Family: \$7,300	Self-only: +\$200 Family: +\$450
HSA catch-up contributions (age 55 or older)	\$1,000	\$1,000	No change
Minimum Annual HDHP Deductible	Self-only: \$1,500 Family: \$3,000	Self-only: \$1,400 Family: \$2,800	Self-only: +\$100 Family: \$200
Maximum Out-of-Pocket for HDHP (deductibles, co-payment & other amounts except premiums)	Self-only: \$7,500 Family: \$15,000	Self-only: \$7,050 Family: \$14,100	Self-only: +\$450 Family: +\$900

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 2023.

	2023	2022	Change
ACA Maximum Out-of-Pocket	Self-only: \$9,100 Family: \$18,200	Self-only: \$8,700 Family: \$17,400	Self-only: +\$400 Family: +\$800

NOTE: 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 \$9,100 (2023 plan years) or \$8,700 (2022 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). While historically CMS has renewed the transition relief for Grandmothered plans each year, it [announced in March](#) that the transition relief will remain in effect until it announces that all such coverage must come into compliance with the specified requirements.

Next Steps for Employers

As employers prepare for **the 2023 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 \$3,000.
- The out-of-pocket maximum for family coverage for an HSA-qualified HDHP cannot be higher than \$15,000.
- All non-grandfathered plans (whether HDHP or non-HDHP) must cap out-of-pocket spending at \$9,100 for any covered person. A family plan with an out-of-pocket maximum in excess of \$9,100 can satisfy this rule by embedding an individual out-of-pocket maximum in the plan that is no higher than \$9,100. This means that for the 2023 plan year, an HDHP subject to the ACA out-of-pocket limit rules may have a \$7,500 (self-only)/\$15,000 (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 \$9,100 (so that it is also ACA-compliant).



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