

2021 Inflation Adjusted Amounts for HSAs

Issued date: 05/22/20

The IRS released the inflation adjustments for health savings accounts (HSAs) and their accompanying high deductible health plans (HDHPs) effective for calendar year 2021. Most limits increased from 2020 amounts.

■ Annual Contribution Limits

For calendar year 2021, the limitation on deductions for an individual with **self-only coverage** under a high deductible health plan is **\$3,600**. For calendar year 2021, the limitation on deductions for an individual with **family coverage** under a high deductible health plan is **\$7,200**.

■ High Deductible Health Plans

For calendar year 2021, a “high deductible health plan” is defined as a health plan with an **annual deductible that is not less than \$1,400 for self-only coverage or \$2,800 for family coverage** (unchanged from 2020), and the **annual out-of-pocket expenses** (deductibles, co-payments, and other amounts, but not premiums) **do not exceed \$7,000 for self-only coverage or \$14,000 for family coverage**.

Non-calendar year plans: In cases where the HDHP renewal date is after the beginning of the calendar year (i.e., a fiscal year HDHP), any required changes to the annual deductible or out-of-pocket maximum may be implemented as of the next renewal date.

■ Catch-up Contribution

Individuals who are age 55 or older and covered by a qualified high deductible health plan may make additional catch-up contributions each year until they enroll in Medicare. The additional contribution, as outlined by the statute, is \$1,000 for 2009 and thereafter.