



AMERICAN BENEFITS
COUNCIL

NEWS RELEASE

March 22, 2018
NR 2018-7

For additional information:

Jason Hammersla
202-289-6700

Council calls on IRS to address HSA limit issue

Employers had been relying on prior guidance before recent reduction

WASHINGTON, DC – In [a March 22 letter to Internal Revenue Service \(IRS\) officials](#), the American Benefits Council requested relief from a newly reduced health savings account (HSA) limit that imposes significant administrative burdens on employers, employees and other taxpayers.

The IRS [recently lowered the 2018 contribution limit](#) for family coverage in a high-deductible health plan to \$6,850, but companies and their employees have been relying on the \$6,900 limit [announced in May 2017](#). “This sudden reduction was an unwelcome surprise to employers who sponsor these health plans, and to their employees who participate,” said Kathryn Wilber, the Council’s senior counsel, health policy. The Council’s members report that thousands of HSAs are already in excess of the new lower limit.

“We recommend the new lower limit not be enforced for calendar year 2018, or that similar relief be provided to avoid the significant administrative burden and confusion and the potential tax penalties for employees that will otherwise result,” Wilber said. “The issue is not that individuals can save \$50 less in their HSAs. It is that employees face penalties, and employers must deal with administrative complexity, as a result of this retroactive change in policy. We look forward to working with IRS to address this issue. We share the common goal of making HSA and health plan administration as painless as possible.”

The Council also applauds Representatives Mike Kelly (R-PA) and Erik Paulsen (R-MN) for their [March 20 letter to Treasury](#), which skillfully articulated the need for action on this issue and recommended relief similar to that now advocated by the Council.

For more information on health policy matters, or to arrange an interview with Wilber, contact Jason Hammersla, Council vice president, communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

###

The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.