April 27, 2018
NR 2018-9

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Council commends IRS for addressing HSA limit issue

WASHINGTON, DC – “New Internal Revenue Service (IRS) guidance reversing the recent lowering of a health savings account (HSA)-related contribution limit is appreciated by HSA plan sponsors and their employee participants,” said Kathryn Wilber, the Council’s senior counsel, health policy.

IRS Revenue Procedure 2018-27, released on April 26, rolls back the provision of Revenue Procedure 2018-18 that lowered the 2018 contribution limit for family coverage in a high-deductible health plan from $6,900 to $6,850.

“This sudden reduction created uncertainty for plan participants and threatened to impose enormous burdens for employers that provide HSAs,” Wilber said. “Imposing a reduction in the maximum during a plan year would have required employers and service providers to re-program benefit and payroll systems, revise employee benefit communications and return excess HSA contributions to employees.” In a March 22 letter and an in-person meeting with IRS officials, the American Benefits Council requested relief from the new limit for 2018.

“We commend the IRS and Treasury Department for their thoughtful consideration of, and responsiveness to, the Council’s concerns and for making the right decision,” Wilber said.

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).

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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.