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## 2018 HSA Limit for Family Coverage Reduced

On March 5, 2018, the IRS released [Revenue Procedure 2018-18](#) to announce changes to certain tax limits for 2018, including a reduced contribution limit for health savings accounts (HSAs).

### **Why was the limit changed?**

The new tax law enacted late last year—the Tax Cuts and Jobs Act—changed the consumer price index for making annual adjustments to the HSA limits. Using the new index, the IRS reduced one of the HSA/high deductible health plan (HDHP) limits for 2018—the HSA contribution limit for individuals with family HDHP coverage.

### **What is the new limit?**

Based on this new index, the IRS lowered the HSA contribution limit for individuals with **family coverage** under an HDHP **from \$6,900 to \$6,850**. This change is effective for the 2018 calendar year.

### **Are other limits changing too?**

No, all of the other HSA and HDHP limits for 2018 are unchanged, and remain the same as those announced by the IRS in May 2017.

The IRS reduced the HSA contribution limit for 2018 for individuals with family HDHP coverage by \$50 to \$6,850.

### **What do I need to do?**

If you have an HSA with family HDHP coverage, you may need to change your HSA elections going forward to comply with the new limit. If you've already contributed \$6,900 for 2018, you must receive a refund of the excess contribution in order to avoid an excise tax. Please contact your plan administrator with more questions.

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