

2022 HSA FAQ

HSAs can be a great retirement tool, but they may not be a fit for every investor. Below, we've answered some common questions to help you assess whether an HSA could be a good fit for you.

Q: Can I contribute to an HSA?

A: You must be covered under a qualifying High Deductible Health Plan to contribute to an HSA. To be considered an HSA-qualified insurance plan, the plan must meet IRS requirements, which include limits on annual deductibles and out-of-pocket maximums. 2022 minimum deductibles and maximum out-of-pocket amounts are listed below and are indexed annually for inflation.

HDHP minimum deductible

- Self-only: \$1,400
- Family: \$2,800

HDHP maximum out-of-pocket amounts

- Self-only: \$7,050
- Family: \$14,100

High Deductible Health Plans tend to have higher annual deductibles than other health plans, so this plan type may not be appropriate depending on your medical needs.

Q: What are the annual contribution maximums?

A: Annual contribution limits vary based on the number of individuals covered under the plan as well as age. Amounts are indexed annually for inflation. For 2022, limits are listed below. These limits are the sum of employer and employee contributions.

2022 annual contribution limits

- Self-only: \$3,650
- Family (2+ covered individuals): \$7,300
- HSA catch-up contributions (age 55+): \$1,000
- Only one catch-up contribution is allowed per plan annually

Q: What is the benefit of employer contributions?

A: If your employer chooses to contribute to your HSA plan, the contributions are not taxable to you. Employer contributions can help offset the higher deductible costs associated with your High Deductible Health Plan or increase your investable balance if you do not use the funds for medical expenses.