

New HSA Guidelines for 2008

Here are some highlights for 2008.

1. Maximum contributions are \$2900 for an individual and \$5800 for a family. Person's aged 55 years old and older can add an additional \$900/year as a catch up contribution.
2. You can put the full amount in immediately without waiting (This even applies to new hires or a person starting an HSA qualified health plan in the middle of a calendar year).
3. You can now put the FULL amount into your HSA account, regardless of your deductible.
4. A person can choose to accumulate HSA qualified expenses over the course of years (instead of taking the expenses out of the HSA account at the time of service). Every year they need to fill out a Form 8889 and carry the balances forward. At 65 years old, they can then take a distribution equal to the total amount of expenses incurred tax free.
5. An individual can take a one-time distribution from their IRA to fund their HSA account.
6. As always, you have until April 15th (or when you file your taxes) to contribute to your HSA savings account for last year.

Check with your accountant for more information on how this would specifically apply to you.

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