



SPECIAL Alert

In This Issue

In this fourth Special Alert for 2008, we will discuss the 2009 parameters for Health Savings Accounts (HSAs). HSAs and qualifying high deductible health plans have several parameters that are indexed annually. The IRS just released the amounts for 2009.

We welcome your comments and suggestions regarding this issue of our Special Alert. For more information on this article, please contact your Account Manager or visit the McGrawWentworth web site at www.mcgrawwentworth.com.

“2009 Health Savings Account Provisions”

The IRS recently released the 2009 parameters for health saving accounts (HSAs). HSAs are trust or custodial accounts owned by individuals and designed to be a tax-favored saving vehicle for health expenses. Contributions to the accounts are tax-favored. Distributions and any interest accrued in the account can be tax-favored if the funds are used to pay for an IRS qualified medical expense.

A number of rules must be met in order for participants to contribute to an HSA. One of the key requirements is that an individual is covered by a qualifying high deductible health plan. Unfortunately, it is not as simple as being covered by a qualifying high deductible health plan (HDHP). For more details on the rules related to HSAs, please read our *Benefit Advisor* at http://www.mcwentworth.com/Benefit_Advisor/2007/BA_Issue_3.pdf.

Contributions to HSAs and provisions related to qualifying HDHPs are indexed annually. The parameters for 2009 are as follows:

- The minimum annual deductible for a high deductible health plan for 2009 increased by a small

amount. The minimum single deductible is \$1,150, up \$50 from 2008. The minimum family deductible is \$2,300, up \$100 from 2008.

- The maximum out-of-pocket expense limit increased for

single coverage and family coverage. The 2009 maximum out-of-pocket limit for singles is \$5,800, up \$200 from 2008. The 2009 maximum out-of-pocket limit for families is

\$11,600, up \$400 from 2008.

- The 2009 contribution limit for single coverage is \$3,000, up \$100 from 2008. The 2009 contribution limit for families is \$5,950, up \$150 from 2008.

If you have any questions regarding Health Savings Accounts, please contact your McGrawWentworth Account Director. **MW**



McGraw Wentworth Team

ACCOUNT DIRECTORS	ASSISTANT PLAN ANALYST MANAGER
	PRINCIPAL PLAN ANALYST
	SR. PLAN ANALYSTS
	PLAN ANALYSTS
DIRECTOR OF RESEARCH	
MANAGER, CLIENT SERVICES	
ASSISTANT MANAGER, CLIENT SERVICES	
SR. ACCOUNT MANAGERS	
	DIRECTOR OF RESEARCH
	SYSTEMS SUPPORT SPECIALIST
ACCOUNT MANAGERS	HUMAN RESOURCE DIRECTOR
	ADMINISTRATIVE SUPPORT
	MARKETING MANAGER
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McGraw Wentworth, Inc.

3331 West Big Beaver Road, Suite 200
 Troy, MI 48084
 Telephone: 248-822-8000 Fax: 248-822-4131
www.mcgrawwentworth.com

250 Monroe Ave. NW, Suite 400
 Grand Rapids, MI 49503
 Telephone: 616-717-5647 Fax: 248-822-1278
www.mcgrawwentworth.com