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HR BRIEF

Provided by Alamo Insurance Group

HSA/HDHP Limits Increase for 2023

Recently, the IRS released [Revenue Procedure 2022-24](#) to provide the inflation-adjusted limits for health savings accounts (HSAs) and high deductible health plans (HDHPs) for 2023. The IRS is required to publish these limits by June 1 of each year. The limits include:

- The maximum HSA contribution limit
- The minimum deductible amount for HDHPs
- The maximum out-of-pocket expense limit for HDHPs

These limits vary based on whether individuals have self-only or family coverage under an HDHP.

Eligible individuals with self-only HDHP coverage will be able to contribute **\$3,850** to their HSAs for 2023, up from \$3,650 for 2022. Eligible individuals with family HDHP coverage will be able to contribute **\$7,750** to their HSAs for 2023, up from \$7,300 for 2022. Individuals aged 55 or older may make an additional \$1,000 “catch-up”

contribution to their HSAs. The adjusted contribution limits for HSAs take effect as of Jan. 1, 2023.

The minimum deductible amount for HDHPs increases to **\$1,500** for self-only coverage and **\$3,000** for family coverage for 2023 (up from \$1,400 for self-only coverage and \$2,800 for family coverage for 2022). The HDHP maximum out-of-pocket expense limit increases to **\$7,500** for self-only coverage and **\$15,000** for family coverage for 2023 (up from \$7,050 for self-only coverage and \$14,100 for family coverage for 2022). The adjusted HDHP cost-sharing limits take effect for the plan year beginning on or after Jan. 1, 2023.

Action Steps

Employers that sponsor HDHPs should review their plan’s cost-sharing limits (minimum deductibles and maximum out-of-pocket expense limit) when preparing for the plan year beginning in 2023. Also, employers who allow employees to make pre-tax HSA contributions should update their plan communications for the increased contribution limits.

Attracting and Retaining Employees During the Great Reshuffle

While employees continue to quit their jobs at high levels, it no longer appears that massive numbers of workers are leaving the workforce entirely. Economists have begun referring to the situation as the “Great Reshuffle” as total employment in the United States continues to trend up. Employees have been finding better jobs, with key decision factors generally revolving around compensation, benefits, career advancement and workplace flexibility.

Here are some common strategies employers can explore when it comes to attracting and retaining workers in today’s labor market.

Invest in Career Growth

Many workers desire professional development opportunities and are willing to leave their current jobs in search of career growth. Employers can simultaneously enhance their staffing levels and worker skill levels by offering these workers a chance to

enrich their careers via upward mobility.

Offer Flexibility

Surveys overwhelmingly indicate that many employees prefer to retain the flexible work options they’ve been afforded during the COVID-19 pandemic. Depending on what’s feasible, this could mean allowing employees to work from home, letting employees have flexible working hours or providing flexible time-off policies.

Provide Mental Health and Well-being Resources

Mental health and general well-being are now commonly discussed in employment conversations. Employers can help demonstrate how much they value their workers by expanding mental health and well-being resources.

Conclusion

There’s no one solution to today’s attraction and retention challenges. However, employers should consider what initiatives fit into their talent strategies. Contact us today for more resources.