

Couples age 55 or older can soon contribute \$10,000 a year to health savings accounts

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New IRS guidance will allow older couples in the United States to

contribute more than \$10,000 to tax-free health savings accounts (HSA) next year.

Under the [new guidelines](#) announced this week, for folks under 55, individuals can contribute up to \$4,150 annually to their HSAs, *NBC News* reported Friday. That's a 7.8% increase.

Families can contribute a maximum of \$8,300 annually.

The new annual contribution limit is especially high for people 55 and up—\$10,300 for couples and \$5,150 for individuals not on Medicare.

Rising inflation is the reason for this large cost-of-living adjustment, said [Kevin Robertson](#), [senior vice president](#) and chief revenue officer at HSA Bank. It's also a psychological milestone because of the heft of a contribution this big.

"It just sounds like a lot of money," Robertson said. "It will catch people's attention, and more will say they now need to look at an HSA contribution."

Many people don't take advantage of this opportunity to stash away money for future medical expenses, he noted.

The majority of people aren't maxing out their contributions each year, Robertson said. The new contribution limits "will allow people to think about their needs ... and get people more engaged."

The limit for [older people](#) includes a \$1,000 catch-up contribution that those 55 and older are allowed to set aside annually, according to the news report.

The average HSA created in 2005 now contains more than \$50,000,

according to data from independent investment adviser Devenir.

"Contributions are made pretax, the money in the accounts grows tax-free and withdrawals for qualified medical expenses are tax-free," the Society for Human Resource Management explained.

U.S. retirees will cumulatively spend an estimated \$315,000 on medical expenses, according to the Fidelity Retiree Health Care Cost Estimate, *NBC News* reported.

More information: Healthcare.gov has [more](#) on health savings accounts.

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