
FEHB Program Carrier Letter

All Carriers

U.S. Office of Personnel Management
Insurance Services Programs

Letter No. 2007 - 20

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Fee-for-service [16] Experience-rated HMO [14] Community-rated HMO [16]

SUBJECT: 2008 Health Savings Accounts Contribution Limits

This carrier letter provides information about the Internal Revenue Service's (IRS) changes to the 2008 health savings accounts (HSA) maximum contribution limits and the maximum out-of-pocket expenses. We have attached the Internal Revenue Service's (IRS) guidance that details these changes.

The IRS has increased the 2008 maximum contribution limits to **\$2,900** for Self Only coverage and to **\$5,800** for Self and Family coverage. In addition, the IRS has increased the maximum out-of-pocket expense to **\$5,600** for Self Only coverage and to **\$11,200** for Self and Family Coverage. The new limits are indexed each year.

As indicated in Carrier Letter 2006-30 dated December 21, 2006, the HSA maximum contribution limit is no longer tied to the plan's deductible beginning in 2007. Instead, HSA contributions are limited only by the IRS maximums.

If you have any questions, please contact your contract specialist.

Sincerely,

Robert F. Danbeck
Associate Director
for Human Resources Products and Services

Enclosure