

June 2022

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.



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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.

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

EEOC Issues New Guidance on COVID-19 and ADA Disability

The U.S. Equal Employment Opportunity Commission (EEOC) and Department of Justice (DOJ) recently issued new guidance about how employers’ use of artificial intelligence (AI) and other software tools to make employment decisions may result in unlawful disability discrimination under the Americans with Disabilities Act (ADA).



The agencies warned that algorithmic decision-making tools—mainly when used to hire, monitor performance, determine pay or performance, or establish other terms and conditions of employment—may discriminate against people with disabilities.

“We are sounding an alarm regarding the dangers tied to blind reliance on AI and other technologies that we are seeing increasingly used by employers,” said Kristen Clarke, DOJ assistant attorney general, during a press call.

EEOC Guidance

The EEOC’s [guidance](#) highlighted how employment software tools might violate the ADA, such as:

- The employer does not provide a reasonable accommodation necessary for an individual to be rated fairly and accurately by software.
- The software screens out an individual with a disability, even though the individual can do the job with a reasonable accommodation.
- The software makes disability-related inquiries or includes medical examinations.

The EEOC also provided best practices to help employers avoid these violations.

DOJ Guidance

The DOJ’s [guidance](#) provides examples of the types of software tools employers use, clarifies that employers must consider various disabilities when designing or choosing their software and explains when an employer must provide a reasonable accommodation when using software tools.

Employer Takeaway

Several factors have led these agencies to address this topic. One is the ongoing unemployment challenge for workers with disabilities. The Bureau of Labor Statistics’ [April data](#) revealed a labor force participation rate of 23.1% for people with a disability, compared with 67.5% for those without.

Employers should review this guidance and assess their employment technology and processes to ensure they are not at risk for ADA violations.

Hiring and Managing Seasonal Employees

With the summer hiring season underway, employers should begin thinking about how best to hire and manage seasonal employees. Employers who do not dedicate time to these critical steps risk having to face disgruntled employees, unhappy customers, and even legal violations. To learn some best practices for hiring and managing seasonal employees, please watch the video below.



The HR Resource Every Business Needs

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Cindy Nichtberger
Human Resources Services Specialist
914-962-1188, x2482
cnichtberger@marshallsterling.com



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