

COMPLIANCE OVERVIEW

Provided by Morris & Reynolds Insurance

Employee Benefit Plan Limits for 2017

Many employee benefits are subject to **annual dollar limits** that are periodically updated for inflation by the Internal Revenue Service (IRS). The following commonly offered employee benefits are subject to inflation-adjusted dollar limits:

- High deductible health plans (HDHPs) and health savings accounts (HSAs);
- Health flexible spending accounts (FSAs);
- 401(k) plans; and
- Transportation fringe benefit plans.

The IRS typically announces the dollar limits that will apply for the next calendar year well in advance of the beginning of that year. This gives employers time to update their plan designs and make sure that their plan administration will be consistent with the new limits.

This Compliance Overview includes a chart of the inflation-adjusted limits for 2017. Although the majority of the dollar limits for 2016 will remain the

HIGHLIGHTS

INCREASED LIMITS

- HSA contribution limit for individuals with self-only HDHP coverage
- Out-of-pocket maximum for essential health benefits (non-grandfathered plans)
- Health FSA limit for employee pre-tax contributions

UNCHANGED LIMITS

- HDHP minimum deductibles and maximum out-of-pocket limits
- Monthly limits for transportation fringe benefit plans
- Employees' elective deferrals to 401(k) plans, pre-tax and Roth

LINKS AND RESOURCES

- [Revenue Procedure 2016-28](#), 2017 limits for HSAs and HDHPs
- [IRS Notice 2016-62](#), 2017 limits for retirement plans
- [Revenue Procedure 2016-55](#), 2017 limits for health FSAs and transportation fringe benefits

same, a few key limits will change for 2017.

This Compliance Overview is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

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Limit	2016	2017	Change
HSA Contribution Limit			
Self-only	\$3,350	\$3,400	Up \$50
Family	\$6,750	\$6,750	No change
Catch-up Contributions*	\$1,000	\$1,000	No change
HDHP Minimum Deductible			
Self-only	\$1,300	\$1,300	No change
Family	\$2,600	\$2,600	No change
HDHP Maximum Out-of-pocket Maximum			
Self-only	\$6,550	\$6,550	No change
Family	\$13,100	\$13,100	No change
Out-of-pocket Maximum on Essential Health Benefits (non-grandfathered plans)			
Self-only	\$6,850	\$7,150	Up \$300
Family	\$13,700	\$14,300	Up \$600
Health FSA			
Limit on employees' pre-tax contributions	\$2,550	\$2,600	Up \$50
Dependent Care FSA*			
Tax exclusion	\$5,000 (\$2,500 if married and filing taxes separately)	\$5,000 (\$2,500 if married and filing taxes separately)	No change
Transportation Fringe Benefits (monthly limits)			
Transit pass and vanpooling (combined)	\$255	\$255	No change
Parking	\$255	\$255	No change
401(k) Contributions			
Employee Elective Deferrals	\$18,000	\$18,000	No change
Catch-up Contributions	\$6,000	\$6,000	No change

*Not subject to annual adjustment for inflation

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