



IRS Releases Benefit Limits for 2018

On October 19, 2017 the Internal Revenue Service announced the annual inflation adjustments for more than 40 tax provisions for 2018, including the tax rate schedules, and other tax changes. There are several benefit limitations for 2018:

- **The annual dollar limit on employee contributions to employer-sponsored healthcare flexible spending arrangements (FSA) increases to \$2,650.**
- The amount for the adoption credit or the amount excluded for adoption assistance allowed for an adoption of a child with special needs is increased to \$13,840.
- The dollar amount for employee health Insurance expense of small employers is \$26,700. This used for the tax credit.
- The monthly limitation for qualified transportation fringe benefit regarding the aggregate fringe benefit exclusion amount for transportation in a commuter highway vehicle and any transit pass is \$260. The monthly limit for qualified parking remains at \$260.
- The limitations regarding eligible long-term care premiums includible in the term "medical care," are increased as follows:

Attained Age before the Close of the Taxable Year Limitation on Premiums

40 or less --- \$420

More than 40 but not more than 50 --- \$780

More than 50 but not more than 60 --- \$1,560

More than 60 but not more than 70 --- \$4,160

More than 70 --- \$5,200

· The deductible and out-of-pocket limits for "high deductible health plans" for Medical Savings Accounts are as follows:

- For self-only coverage, a health plan that has an annual deductible that is not less than \$2,300 and not more than \$3,450, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed \$4,600.
- For family coverage, a health plan that has an annual deductible that is not less than \$4,600 and not more than \$6,850, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed \$8,400.

***The dollar amount used to determine individual mandate penalty for failure to maintain minimum essential coverage is \$695.**