

### **REMINDER: Amendments needed to reflect \$2,500 limit on Health FSA contributions by year end**

As mentioned in a prior Alert, beginning in 2013 employees' salary reduction contributions to a health flexible spending account (health FSA) may not exceed \$2,500 per plan year. This limit is to be indexed for inflation in later years, and for 2015 has been increased by the IRS to \$2,550. Although operational compliance was required beginning with the first plan year that began on or after January 1, 2013, plan sponsors have until December 31, 2014 to formally amend their health FSA arrangements to reflect the \$2,500 contribution limit.

***As such, employers who have not yet adopted formal written amendments to their health FSA arrangements (which usually are part of the employer's cafeteria/flexible benefit plan) should immediately consider whether such arrangements need to be amended, and if such amendments are needed they must be adopted on or before December 31, 2014.***

Please contact one of the attorneys listed below if you have questions or need assistance in updating your health FSA arrangement.

**This alert is for general informational purposes only and should not be construed as specific legal advice. If you would like more information about this alert, please contact one of the following attorneys or call your regular Patterson contact.**

<u>David M. Glaser</u>	212-336-2624	<a href="mailto:dmglaser@pbwt.com">dmglaser@pbwt.com</a>
<u>Bernard F. O'Hare</u>	212-336-2613	<a href="mailto:bfohare@pbwt.com">bfohare@pbwt.com</a>
<u>Bruce L. Wolff</u>	212-336-2959	<a href="mailto:blwolff@pbwt.com">blwolff@pbwt.com</a>
<u>Jessica S. Carter</u>	212-336-2885	<a href="mailto:jcarter@pbwt.com">jcarter@pbwt.com</a>
<u>Meridith Bogart Krell</u>	212-336-2361	<a href="mailto:mkrell@pbwt.com">mkrell@pbwt.com</a>

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