



COMPLIANCE *ALERT!*

Friday, October 31, 2014

IRS Announces 2015 Tax Limits

On Thursday, October 30, the Internal Revenue Service announced additional 2015 tax limits which included the annual limits for employer sponsored health care flexible spending accounts, qualified transportation fringe benefits, and adoption assistance programs. The following provides a summary of the annual limits for these specific benefit programs with full details on all the announced tax changes available within the [IRS news release](#) and [Revenue Procedure 2014-61](#).

Also included within this alert is a summary of the 2015 high deductible health plan and health savings accounts limits announced earlier this year. The [pension limitations for 2015](#) were announced on October 23, 2014.

If you have any questions or need further details about the 2015 tax limits and how they will impact your employee benefit programs please contact your Trion account team.

Health Care Flexible Spending Accounts

For tax years beginning in 2015, the annual dollar limit on employee contributions to an employer health care flexible spending account plan will increase by \$50 dollars to \$2,550. Employers with plans based on a calendar year may adopt the new annual maximum as of January 1. Health care flexible spending account plans running on a non-calendar year basis may increase their annual maximum at the beginning of their next plan year.

Qualified Transportation Fringe Benefit

The annual limit for mass transit and parking expenses remain unchanged. For 2015, employers can continue to exclude up to \$250 per month for the value of transportation benefits provided to an employee for qualified parking. The 2015 combined transit pass and vanpooling expense limit will remain at \$130 per month.

Adoption Credit/Adoption Assistance Programs

In the case of an adoption of a child with special needs, the maximum credit allowed under Code Section 23 is increased to \$13,400. The income threshold at which the credit begins to phase out is increased to \$201,010. Similarly, the maximum amount that an employer can exclude under

Code Section 137 from an employee's income for adoption assistance benefits is increased to \$13,400.

HDHP and Health Savings Account (HSA) Amounts

Earlier this year the IRS released [Revenue Procedure 2014-30](#) which included the 2015 minimum deductible and maximum out-of-pocket limits for high deductible health plans (HDHPs) and the maximum contribution levels for HSAs. Effective for calendar year 2015:

- The minimum annual deductible for a plan to qualify as an HDHP will be \$1,300 for self-only coverage and \$2,600 for family coverage;
- The maximum annual out-of-pocket limits allowable under an HDHP will be \$6,450 for self-only coverage and \$12,900 for family coverage; and
- The maximum allowable annual contribution employees may make to their HSAs will be \$3,350 for an individual with self-only coverage or \$6,650 for an individual with family coverage.
- The limit on catch-up contributions, allowed for those with HSAs who are age 55 and older, remains at an additional \$1,000 per year.

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