



COMPLIANCE BULLETIN

IRS Announces Employee Benefit Plan Limits for 2019

HIGHLIGHTS

- The IRS recently announced cost-of-living adjustments to the annual dollar limits for employee benefit plans.
- Many of these limits will increase for 2019.
- In 2019, employees may contribute more money to their HSAs, health FSAs and 401(k) accounts.

RESOURCES

- [IRS Revenue Procedure 2018-30](#) (HSA/HDHP limits for 2019)
- [IRS Revenue Procedure 2018-57](#) (health FSA, adoption assistance and transportation plan limits for 2019)
- [IRS Notice 2018-83](#) (retirement plan limits for 2019)

OVERVIEW

Many employee benefits are subject to annual dollar limits that are periodically increased for inflation. The Internal Revenue Service (IRS) recently announced cost-of-living adjustments to the annual dollar limits for various welfare and retirement plan limits for 2019. Although some of the limits will remain the same, many of the limits will increase for 2019.

The annual limits for the following commonly offered employee benefits will increase for 2019:

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

ACTION STEPS

Employers should update their benefit plan designs for the new limits and make sure that their plan administration will be consistent with the new limits in 2019. Employers may also want to communicate the new benefit plan limits to employees.

COMPLIANCE BULLETIN

HSA and HDHP Limits

HSA Contribution Limit			
Limit	2018	2019	Change
Self-only HDHP coverage	\$3,450	\$3,500	Up \$50
Family HDHP coverage	\$6,900	\$7,000	Up \$100
Catch-up contributions*	\$1,000	\$1,000	No change

*Not adjusted for inflation

HDHP Limits				
Limit		2018	2019	Change
Minimum deductible	Self-only coverage	\$1,350	\$1,350	No change
	Family coverage	\$2,700	\$2,700	No change
Maximum out-of-pocket	Self-only coverage	\$6,650	\$6,750	Up \$100
	Family coverage	\$13,300	\$13,500	Up \$200

FSA Benefits

FSA Limits			
Limit	2018	2019	Change
Health FSA (limit on employees' pre-tax contributions)	\$2,650	\$2,700	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

*Not adjusted for inflation

COMPLIANCE BULLETIN

Transportation Fringe Benefits

Transportation Benefits			
Limit (monthly limits)	2018	2019	Change
Transit pass and vanpooling (combined)	\$260	\$265	Up \$5
Parking	\$260	\$265	Up \$5

Adoption Assistance Benefits

Adoption Benefits			
Limit	2018	2019	Change
Tax exclusion (employer-provided assistance)	\$13,840	\$14,080	Up \$240

Qualified Small Employer HRA (QSEHRA)

QSEHRA				
Limit		2018	2019	Change
Payments and Reimbursements	Employee-only coverage	\$5,050	\$5,150	Up \$100
	Family coverage	\$10,250	\$10,450	Up \$200

401(k) Contributions

401(k) Contributions			
Limit	2018	2019	Change
Employee elective deferrals	\$18,500	\$19,000	Up \$500
Catch-up contributions	\$6,000	\$6,000	No change