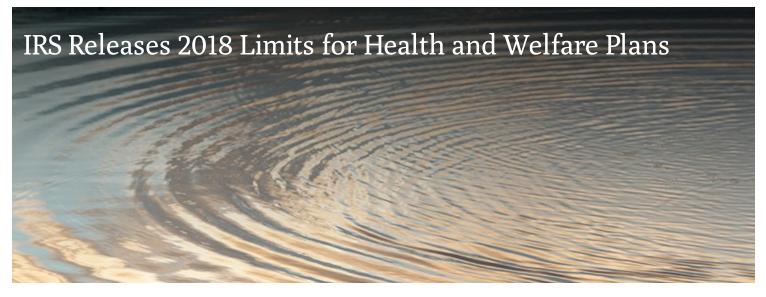


BLOG



DECEMBER 18, 2017

The IRS recently released the 2018 limits for certain types of health and welfare plans, updated for cost of living adjustments. For 2018, the maximum annual employee salary reduction contribution to a health flexible spending account through a Code Section 125 cafeteria plan increases to \$2,650, and the monthly amount excludable from income for qualified parking, transit passes, or commuter highway vehicle transportation under a Code Section 132 qualified transportation fringe benefit program increases to \$260. In addition, the maximum annual amount of adoption assistance received from an employer-provided adoption assistance plan that is excludable from income increases to \$13,840 (with a phase out beginning with taxpayers with a modified adjusted gross income in excess of \$207,580 and completely phasing out for taxpayers with a modified adjusted gross income of \$247,580 or higher).

Employers offering health flexible spending account plans, adoption assistance programs, or qualified transportation fringe benefit programs who want to take advantage of these increased limits should amend or update their plan or program documents accordingly and communicate any adopted increased limits to plan participants and eligible employees.

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