

COMPLIANCE OVERVIEW

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Employee Benefit Plan Limits for 2018

Many employee benefits are subject to **annual dollar limits** that are periodically updated for inflation by the Internal Revenue Service (IRS). The following commonly offered employee benefits are subject to inflation-adjusted dollar limits:

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

The IRS typically announces the dollar limits that will apply for the next calendar year well in advance of the beginning of that year. This gives employers time to update their plan designs and make sure that their plan administration will be consistent with the new limits.

This Compliance Overview includes a chart of the inflation-adjusted limits for 2018. Although some of the limits will remain the same, many of the

HIGHLIGHTS

INCREASED LIMITS

- HSA contribution limits for individuals with self-only or family coverage under an HDHP
- Employees' elective deferrals to 401(k) plans, pre-tax and Roth
- Health FSA limit for employee pre-tax contributions
- Monthly limits for transportation fringe benefit plans
- HDHP minimum deductibles and maximum out-of-pocket limits

UNCHANGED LIMITS

- Tax exclusion for dependent care FSA benefits
- Catch-up contributions to an HSA
- Catch-up contributions to a 401(k) plan

LINKS AND RESOURCES

- [Revenue Procedure 2017-37](#), 2018 limits for HSAs and HDHPs
- [IRS Notice 2017-64](#), 2018 limits for retirement plans
- [Revenue Procedure 2017-58](#), 2018 limits for health FSAs and transportation fringe benefits

limits will increase for 2018.

This Compliance Overview is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.



Limit	2017	2018	Change
HSA Contribution Limit			
Self-only	\$3,400	\$3,450	Up \$50
Family	\$6,750	\$6,900	Up \$150
Catch-up contributions*	\$1,000	\$1,000	No change
HDHP Minimum Deductible			
Self-only	\$1,300	\$1,350	Up \$50
Family	\$2,600	\$2,700	Up \$100
HDHP Out-of-pocket Maximum			
Self-only	\$6,550	\$6,650	Up \$100
Family	\$13,100	\$13,300	Up \$200
Out-of-pocket Maximum on Essential Health Benefits (non-grandfathered plans)			
Self-only	\$7,150	\$7,350	Up \$200
Family	\$14,300	\$14,700	Up \$400
Health FSA			
Limit on employees' pre-tax contributions	\$2,600	\$2,650	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
Transportation Fringe Benefits (monthly limits)			
Transit pass and vanpooling (combined)	\$255	\$260	Up \$5
Parking	\$255	\$260	Up \$5
401(k) Contributions			
Employee elective deferrals	\$18,000	\$18,500	Up \$500
Catch-up contributions	\$6,000	\$6,000	No change

**Not subject to annual adjustment for inflation*