

# COMPLIANCE OVERVIEW

Provided by Brown & Brown Benefit Advisors

## 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 limits increase for 2018.

### LINKS AND RESOURCES

- [Revenue Procedure 2017-37](#), 2018 limits for HSAs and HDHPs (adjusted by [IRS Revenue Procedure 2018-18](#))
- [IRS Notice 2017-64](#), 2018 limits for retirement plans
- [Revenue Procedure 2017-58](#), 2018 limits for health FSAs and transportation fringe benefits

### 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

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
<b>HSA Contribution Limit</b>			
Self-only	\$3,400	\$3,450	<b>Up \$50</b>
Family	\$6,750	\$6,850	<b>Up \$100</b>
Catch-up contributions*	\$1,000	\$1,000	No change
<b>HDHP Minimum Deductible</b>			
Self-only	\$1,300	\$1,350	<b>Up \$50</b>
Family	\$2,600	\$2,700	<b>Up \$100</b>
<b>HDHP Out-of-pocket Maximum</b>			
Self-only	\$6,550	\$6,650	<b>Up \$100</b>
Family	\$13,100	\$13,300	<b>Up \$200</b>
<b>Out-of-pocket Maximum on Essential Health Benefits (non-grandfathered plans)</b>			
Self-only	\$7,150	\$7,350	<b>Up \$200</b>
Family	\$14,300	\$14,700	<b>Up \$400</b>
<b>Health FSA</b>			
Limit on employees' pre-tax contributions	\$2,600	\$2,650	<b>Up \$50</b>
<b>Dependent Care FSA*</b>			
Tax exclusion	\$5,000 (\$2,500 if married and filing taxes separately)	\$5,000 (\$2,500 if married and filing taxes separately)	No change
<b>Transportation Fringe Benefits (monthly limits)</b>			
Transit pass and vanpooling (combined)	\$255	\$260	<b>Up \$5</b>
Parking	\$255	\$260	<b>Up \$5</b>
<b>401(k) Contributions</b>			
Employee elective deferrals	\$18,000	\$18,500	<b>Up \$500</b>
Catch-up contributions	\$6,000	\$6,000	No change

\*Not subject to annual adjustment for inflation