



Important - IRS Releases More Benefit Limits for 2022

On November 10, 2021 the Internal Revenue Service announced in Revenue Procedure 2021-45 the annual inflation adjustments for more than 60 tax provisions for 2022, including the tax rate schedules, and other tax changes. This Revenue Procedure provides details about these annual adjustments. For a full copy of the IRS document please click this link - <https://www.irs.gov/pub/irs-drop/rp-21-45.pdf>

Flexible Spending Accounts (FSA)

Health Flexible Spending Accounts (Includes limited-purpose FSAs)	2022	2021
Maximum salary deferral contribution	\$2,850	\$2,750
Maximum rollover amount	\$570	\$550

* The Medical Mileage rate for 2022 is \$0.16 per mile.

Dependent and/or Child Daycare Expenses

For 2022, the dependent care FSA maximum, which is set by statute and is not subject to inflation-related adjustments, returns to **\$5,000** a year for single taxpayers and married couples filing jointly, or **\$2,500** for married people filing separately. Married couples have a combined \$5,000 limit, even if each has access to a separate dependent care FSA through his or her employer.

In addition, maximum contributions to a dependent FSA may not exceed these earned income limits:

- For single account holders, the earned income limit is their salary excluding contributions to their dependent care FSA.
- For married account holders, the earned income limit is the lesser of their salary excluding contributions to their dependent care FSA or their spouse's salary.

Employers can also choose to contribute to employees' dependent care FSAs. However, unlike with a health FSA, the combined employer and employee contributions to a dependent care FSA cannot exceed the IRS limits noted above.

A separate tax code child and dependent care tax credit cannot be claimed for expenses paid through a dependent care FSA, as "double dipping" is not permitted.

Elder care may be eligible for reimbursement with a dependent care FSA if the adult lives with the FSA holder at least 8 hours of the day and is claimed as a dependent on the FSA holder's federal tax return.

Commuting Benefit Amounts

Employer-funded parking and mass-transit subsidies are tax-exempt for employees. These expenses include the value of mass-transit passes and van pooling services, and parking on or near the business worksite or a location from which employees commute to work by driving and then using mass transit.

Qualified Transportation Benefit Exclusion (monthly limits)	2022	2021
Transit passes and van pool services	\$280	\$270
Qualified parking	\$280	\$270

Health Savings Account

Contribution and Out-of-Pocket Limits for Health Savings Accounts and High-Deductible Health Plans			
	2022	2021	Change
HSA contribution limit (employer + employee)	Self-only: \$3,650 Family: \$7,300	Self-only: \$3,600 Family: \$7,200	Self-only: +\$50 Family: +\$100
HSA catch-up contributions (age 55 or older)	\$1,000	\$1,000	No change
HDHP minimum deductibles	Self-only: \$1,400 Family: \$2,800	Self-only: \$1,400 Family: \$2,800	No change No change
HDHP maximum out-of-pocket amounts (deductibles, co-payments and other amounts, but not premiums)	Self-only: \$7,050 Family: \$14,100	Self-only: \$7,000 Family: \$14,000	Self-only: +\$50 Family: +\$100