



COMPLIANCE ALERT



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IRS Employee Benefit Limits for 2017

Yesterday IRS released Revenue Procedure 2016-55 adjusting certain 2017 tax and contribution limits for employer plans. Most significantly, Revenue Procedure 2016-55 includes increased Health-FSA salary reduction limits. Earlier this year IRS also issued 2017 Revenue Procedure 2016-28 with inflation adjusted contribution limits for health savings accounts (HSAs) and minimum deductible and maximum out-of-pocket (OOP) limits for high-deductible health plans (HDHPs). Pay or Play penalties for 2017 were also released earlier this year. The table below summarizes these and other key 2017 limits and increases for employee benefit plans.

Table of Limits		
	2017	2016
H-FSA Salary Reduction	\$2,600	\$2,550
HSA Contribution		
Self-Only	\$3,400	\$3,350
Family	\$6,750	\$6,750
55+ Catch Up	\$1,000	\$1,000
HDHP Deductible		
Self-Only	\$1,300	\$1,300
Family	\$2,600	2,600
HDHP Out of Pocket*		
Self-Only	\$6,550	\$6,550
Family	\$13,100	\$13,100
ACA Out of Pocket		
Self-Only**	\$7,150	\$6,850
Family	\$14,300	\$13,700
Pay or Play***		
Part (a) Penalty	\$2,260	\$2,160
Part (b) Penalty	\$3,390	\$3,240
Unaffordability	9.69% household income	9.66% household income

Parking and Transit	\$255/month	\$255/month
Dependent Care Accounts		
General Limit	\$5,000	\$5,000
Married Filing Separately	\$2,500	\$2,500

*HSA compatible HDHPs are subject to both the HDHP and ACA out of pocket limit, meaning the lower of the two limits applies (the HDHP limit).

**Self-only limit applies as embedded individual limit for those enrolled in family coverage.

***Annual penalty amount reflects 12 month total; penalties assessed monthly.

Contact your Alliant representative with questions or for additional support.

Compliance Update is presented by the Compliance Practice Group of Alliant Employee Benefits

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