

FYI[®] Alert

For Your Information[®]

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IRS Announces Some 2017 Benefit Plan Limits

The IRS has issued [Revenue Procedure 2016-55](#), which contains 2017 limits for qualified transportation fringe benefits, adoption assistance programs, long-term care premiums, health flexible spending accounts, and medical savings accounts.

Qualified Transportation Fringe Benefits

The monthly limits under Section 132(f) for tax years beginning in 2017 (compared with 2016) are:

	2017	2016
Commuter highway vehicle and transit pass	\$ 255	\$ 255
Qualified parking	\$ 255	\$ 255

Adoption Assistance Programs

For employer-provided adoption assistance programs, the maximum amount excludible from an employee's income in 2017 (compared with 2016) for the adoption of a child (both for regular and special needs adoptions) is shown below. The excludible amount phases out for taxpayers with modified adjusted gross income that exceeds certain levels.

	2017	2016
Excludible amount	\$ 13,570	\$ 13,460
Phase-out income thresholds		
Phase-out begins	\$ 203,540	\$ 201,920
Phase-out complete	\$ 243,540	\$ 241,920

Long-Term Care Premiums

The limits under Section 213 for eligible long-term care premiums that qualify as medical expenses for tax years beginning in 2017 (compared with 2016) are shown below, based on attained age before the close of the taxable year.

	2017	2016
Age 40 or less	\$ 410	\$ 390
> 40 but ≤ 50	\$ 770	\$ 730
> 50 but ≤ 60	\$ 1,530	\$ 1,460
> 60 but ≤ 70	\$ 4,090	\$ 3,900
> 70	\$ 5,110	\$ 4,870

Health Savings Accounts

The 2017 limits for contributions to health savings accounts and for high-deductible health plans were released earlier this year. (See our [May 2, 2016 For Your Information.](#))

Health Flexible Savings Arrangements

The 2017 limitation on voluntary employee salary reductions for contributions to health flexible spending arrangements is \$2,600, up from \$2,550 in 2016.

Medical Savings Accounts

Medical savings accounts (MSAs) are available to employees of small businesses and self-employed individuals if they participate in high-deductible health plans. The deductible limits and out-of-pocket limits in connection with these plans differ from those for HSAs.

For tax years beginning in 2017, the annual deductible for an MSA high-deductible health plan may not be less than \$2,250 and not more than \$3,350 for single coverage. The annual deductible for an MSA high-deductible health plan may not be less than \$4,500 and not more than \$6,750 for family coverage. Also, annual out-of-pocket expenses (exclusive of premiums) cannot exceed \$4,500 for single coverage and \$8,250 for family coverage.

In Closing

Our *For Your Reference*, a wallet-sized booklet showing retirement plan and other benefit limits and various key Social Security and Medicare figures, will be available shortly from your consultant.

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