

Health FSA Contribution Limit Projected to Remain at \$2,600 in 2018

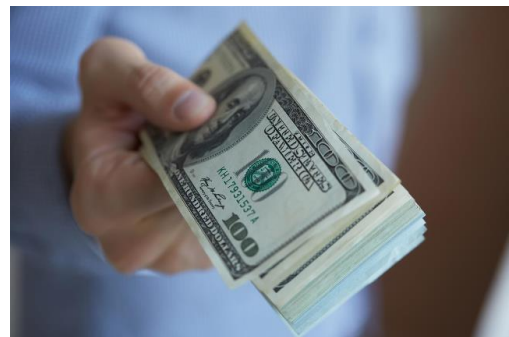
The annual limit on health FSA contributions is subject to indexing each year based on CPI-U. Although all data is not yet available, based on current information, we are projecting that the limit will remain at \$2,600 for 2018.

Background

The Affordable Care Act amended the Internal Revenue Code to impose an annual limit on salary reduction contributions to health flexible spending accounts (FSAs). For tax years beginning after December 31, 2012, the limit was \$2,500. Beginning in 2014, the limit is subject to indexing based on the increase in Consumer Price Index for All Urban Consumers (CPI-U) each year. The 2017 limit was \$2,600. (See our [October 25, 2016 For Your Information.](#))

2018 FSA Limit Projected to Remain at \$2,600

The 2018 indexing will be based on CPI-U through August 2017. Although the August CPI-U will not be available for another month, based on CPI-U through July, we are projecting that the health FSA limit will remain at \$2,600 for 2018. The IRS is not expected to formally release the 2018 FSA limit until late October.



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