

## Health FSA Limit Projected to Increase to \$2,700 in 2019

The annual limit on health FSA contributions is subject to indexing each year based on CPI-U. We're projecting that the limit will increase to \$2,700 for 2019.

### 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 2018 limit is \$2,650. (See our [October 20, 2017](#) *For Your Information*.)

### 2019 FSA Limit Projected to Increase to \$2,700

The 2019 indexing is based on the 12-month average CPI-U through August 2018. With the release of the August 2018 CPI-U data, we are projecting that the health FSA limit will increase to \$2,700 for 2019. The IRS is not expected to formally release the 2019 FSA limit until late October.

### In Closing

Employers should consider preparing to increase their FSA limit to this new amount.

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