

FYI[®] Alert

For Your Information[®]

Celebrating
40
years of FYI[®]

IRS announces some 2020 benefit plan limits

The IRS has issued [Revenue Procedure 2019-44](#), which contains 2020 limits for health flexible spending arrangements, qualified transportation fringe benefits, adoption assistance programs, and long-term care premiums.

Health flexible spending arrangements

The annual limit on employee salary reduction contributions to health flexible spending arrangements under Section 125(i) for plan years beginning in 2020 (compared with 2019) is:

	2020	2019
Maximum salary reduction amount	\$2,750	\$2,700

Qualified transportation fringe benefits

The monthly limits under Section 132(f) for tax years beginning in 2020 (compared with 2019) are:

	2020	2019
Commuter highway vehicle and transit pass	\$270	\$265
Qualified parking	\$270	\$265

Adoption assistance programs

For employer-provided adoption assistance programs, the maximum amount excludible from an employee's income in 2020 (compared with 2019) 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.

Volume 42

Issue 95

November 7, 2019

Authors

Andrew Eisner, ASA, EA,
MAAA, FCA
Richard Stover, FSA

	2020	2019
Excludible amount	\$14,300	\$14,080
Phase-out income thresholds		
Phase-out begins	\$214,520	\$211,160
Phase-out complete	\$254,520	\$251,160

Long-term care premiums

The limits under Section 213(d) for eligible long-term care premiums that qualify as medical expenses for tax years beginning in 2020 (compared with 2019) are shown below, based on attained age before the close of the taxable year.

	2020	2019
Age 40 or younger	\$430	\$420
> 40 but < 50	\$810	\$790
> 50 but < 60	\$1,630	\$1,580
> 60 but < 70	\$4,350	\$4,220
> 70	\$5,430	\$5,270

Health savings accounts

The 2020 limits for contributions to health savings accounts and for high-deductible health plans were released earlier this year. (See our [May 30, 2019 For Your Information](#).)

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.

Produced by the Knowledge Resource Center

The Knowledge Resource Center is responsible for national multi-practice compliance consulting, analysis and publications, government relations, research, surveys, training, and knowledge management. For more information, please contact your account executive.

You are welcome to distribute *FYI*® publications in their entireties. To manage your subscriptions, or to sign up to receive our mailings, visit our [Subscription Center](#).

This publication is for information only and does not constitute legal advice; consult with legal, tax and other advisors before applying this information to your specific situation.