

FYI[®] Alert

For Your Information[®]

IRS announces some 2022 benefit plan limits

The IRS has issued [Revenue Procedure 2021-45](#), which contains 2022 limits for health flexible spending arrangements, qualified transportation fringe benefits, adoption assistance programs, and long-term care premiums.

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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 2022 has increased by \$100 from the 2021 limit. The maximum carryover amount has also increased.

| | 2022 | 2021 |
|---------------------------------|---------|---------|
| Maximum salary reduction amount | \$2,850 | \$2,750 |
| Maximum carryover amount | \$570 | \$550 |

Qualified transportation fringe benefits

The monthly limits under Section 132(f) for tax years beginning in 2022 increased from the 2021 limits.

| | 2022 | 2021 |
|---|-------|-------|
| Commuter highway vehicle and transit pass | \$280 | \$270 |
| Qualified parking | \$280 | \$270 |

Adoption assistance programs

For employer-provided adoption assistance programs, the maximum amount excludible from an employee's income in 2022 (compared with 2021) 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.

| | 2022 | 2021 |
|------------------------------------|-----------|-----------|
| Excludible amount | \$14,890 | \$14,440 |
| Phase-out income thresholds | | |
| Phase-out begins | \$223,410 | \$216,660 |
| Phase-out complete | \$263,410 | \$256,660 |

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 2022 (compared with 2021) are shown below, based on attained age before the close of the taxable year.

| | 2022 | 2021 |
|-------------------|---------|---------|
| Age 40 or younger | \$450 | \$450 |
| > 40 but < 50 | \$850 | \$850 |
| > 50 but < 60 | \$1,690 | \$1,690 |
| > 60 but < 70 | \$4,510 | \$4,520 |
| > 70 | \$5,640 | \$5,640 |

Health savings accounts

The 2022 limits for contributions to health savings accounts and for high-deductible health plans were released earlier this year. (See our [May 13, 2021 FYI](#).)

In closing

Our *For Your Reference*, a one-page overview of health, retirement and other benefit plan limits and various key social security and Medicare figures, will be available shortly from your consultant.

2021 Reporting and Disclosure (R&D) Guide

Now available to help you meet your employee benefit R&D obligations, download the latest edition of Buck's *Reporting and Disclosure Guide: Retirement and Welfare Benefit Plans*.

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