

# FYI<sup>®</sup> Alert

## For Your Information<sup>®</sup>

### IRS announces some 2023 benefit plan limits

The IRS has issued [Revenue Procedure 2022-38](#), which contains 2023 limits for health flexible spending arrangements, qualified transportation fringe benefits, adoption assistance programs, and long-term care premiums.

Volume 45

Issue 30

October 24, 2022

#### Authors

Randie Thompson, JD,  
LLM  
Richard Stover, FSA,  
MAAA

#### 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 2023 has increased by \$200 from the 2022 limit. The maximum carryover amount has also increased.

	2023	2022
Maximum salary reduction amount	\$3,050	\$2,850
Maximum carryover amount	\$610	\$570

#### Qualified transportation fringe benefits

The monthly limits under Section 132(f) for tax years beginning in 2023 increased from the 2022 limits.

	2023	2022
Commuter highway vehicle and transit pass	\$300	\$280
Qualified parking	\$300	\$280

## Adoption assistance programs

For employer-provided adoption assistance programs, the maximum amount excludible from an employee's income in 2023 (compared with 2022) 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.

	2023	2022
Excludible amount	\$15,950	\$14,890
<b>Phase-out income thresholds</b>		
Phase-out begins	\$239,230	\$223,410
Phase-out complete	\$279,230	\$263,410

## 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 2023 (compared with 2022) are shown below, based on attained age before the close of the taxable year.

	2023	2022
Age 40 or younger	\$480	\$450
> 40 but < 50	\$890	\$850
> 50 but < 60	\$1,790	\$1,690
> 60 but < 70	\$4,770	\$4,510
> 70	\$5,960	\$5,640

## Health savings accounts

The 2023 limits for contributions to health savings accounts and for high-deductible health plans were released earlier this year. (See our [May 3, 2022 FYI](#).)

## In closing

Our For Your Reference document outlining key retirement, health and other benefit plan limits and various key social security and Medicare figures, will be available shortly from your consultant and on [Buck.com](https://www.buck.com).

### **Produced by the Compliance Consulting Practice**

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

You are welcome to distribute *FYI*® publications in their entirety. 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.