

2017 Numbers You Need to Know

The Internal Revenue Service (IRS) and Social Security Administration have released the cost-of-living (COLA) adjustments that apply to dollar limitations set forth in certain IRS Code Sections in 2017,

Health Savings Account (HSA)

For calendar year 2017, the annual limitation on deductions for an individual with self-only coverage under a high deductible health plan is \$3,400 and for an individual with family coverage it is \$6,750. The "high deductible health plan" annual deductible cannot be less than \$1,300 for self-only coverage or \$2,600 for family coverage, and the annual out-of-pocket expenses cannot exceed \$6,550 for self-only coverage or \$13,100 for family coverage. You can read the full details in the IRS publication - Rev. Proc. 2016-28.

The catch-up contribution allowed for those 55 and over is remains at \$1,000. Remember, qualifying HDHPs and no other impermissible coverage (such as coverage under another employer's plan or from a health care flexible spending account that is not specifically compatible with an HSA) are required in order to fund an HSA.

	2015	2016	2017
Minimum deductible amounts for the qualifying high deductible health plan (HDHP)			
Individual coverage	\$1,300	\$1,300	\$1,300
Family coverage	\$2,600	\$2,600	\$2,600
Maximum contribution levels			
Individual coverage	\$3,350	\$3,350	\$3,400
Family coverage	\$6,650	\$6,750	\$6,750
Catch up allowed for those 55 and over	\$1,000	\$1,000	\$1,000
Maximums for HDHP out-of-pocket expenses			
Individual coverage	\$6,450	\$6,550	\$6,550
Family coverage	\$12,900	\$13,100	\$13,100

Healthcare and Limited Scope FSA

Per IRS regulations, pretax employee contributions to Health Flexible Savings Accounts (FSAs) were capped at \$2,550 for 2016.

Health FSA	2014	2015	2016
Maximum Annual Contribution Limit	\$2,500	\$2,550	\$2,550

Dependent and/or Child Daycare Expenses

The 2016 cafeteria plan daycare contribution limit is \$5,000 for a married couple filing a joint return, or for a single parent filing as "Head of Household." For a married couple filing separate returns, the limit is \$2,550 each. The daycare credit is reduced dollar for dollar by contributions to or benefits received from an employer's cafeteria plan. An employee may participate in their employer's cafeteria plan and take a portion of the daycare expenses through the credit if they have sufficient expenses in excess of their cafeteria plan annual election, but within the tax credit limits.

Dependent Care FSA	2014	2015	2016
Maximum Annual Contribution Limit; married and filing jointly or single parent	\$5,000	\$5,000	\$5,000
Maximum Annual Contribution Limit; married and filing separate	\$2,500	\$2,550	\$2,550