

IRS Updates Benefit Plan Limits for 2021

By *Ashley Dillingham, J.D.*
Compliance & HR Manager

The IRS recently updated the following benefit plan limits for **2021** to adjust for inflation:

- [Flexible Spending Accounts & Parking and Transit Accounts](#)
- [Health Savings Accounts](#)

2021 FSA & Parking and Transit Limits		
	2020	2021
HEALTHCARE FSA	\$2,750	\$2,750
DEPENDENT CARE FSA	\$5,000	\$5,000
ADOPTION ASSISTANCE	\$14,300	\$14,440
PARKING & TRANSIT ACCOUNTS (monthly)	\$270	\$270

*The updated IRS limits will apply to plans beginning on or after **January 1, 2021**.

*Employers are not required to update their plans to allow for the new limits. Employers may choose to cap employee contributions to an amount lower than the IRS maximum.

2021 High Deductible Health Plan (HDHP) Requirements & HSA Limits		
	2020	2021
Minimum Yearly Deductible	Self-Only Coverage: \$1,400	Self-Only Coverage: \$1,400
	Family Coverage: \$2,800	Family Coverage: \$2,800
Yearly Out-of-Pocket Maximum (not including out-of-network services)	Self-Only Coverage: \$6,900	Self-Only Coverage: \$7,000
	Family Coverage: \$13,800	Family Coverage: \$14,000
Contribution Limits (employer + employee)	Self-Only Coverage: \$3,550	Self-Only Coverage: \$3,600
	Family Coverage: \$7,100	Family Coverage: \$7,200
Catch-up Contribution Limits (age 55 or older)	\$1,000	\$1,000

If you have any questions or concerns, please contact me at: adillingham@benefitreview.com

Disclaimer: This Compliance Alert is for informational purposes only. It is not intended to be exhaustive and should not be construed as or substituted for legal or tax advice. Please consult with legal counsel or a tax advisor for further guidance.

Benefit Review Services, Inc.
43370 Mound Road
Sterling Heights, MI 48314
586.997.1700
www.brsibenefits.com

816 9th Street SW
Vero Beach, FL 32962
772.257.5439



To view all articles, click [here](#).