

COMPLIANCE

made simple

Employee Benefit Plan Limits for 2022

Many employee benefits are subject to **annual dollar limits** that are periodically updated for inflation by the IRS. The following commonly offered employee benefits are subject to these limits:

- High deductible health plans (HDHPs) and health savings accounts (HSAs);
- Health flexible spending accounts (FSAs);
- 401(k) plans; and
- Transportation fringe benefit plans.

The IRS typically announces the dollar limits that will apply for the next calendar year well before the beginning of that year. This gives employers time to update their plan designs and make sure their plan administration will be consistent with the new limits.

This Compliance Overview includes a chart of the inflation-adjusted limits for 2022. Most of the limits will increase, although some limits remain the same for 2022.

Increased Limits

- HSA contributions
- HDHP out-of-pocket maximum limit
- Health FSA limit for employee pre-tax contributions
- Health FSA carryover limit
- Monthly limits for transportation fringe benefit plans
- Employees' elective deferrals to 401(k) plans, pre-tax and Roth
- Tax exclusion for adoption assistance benefits

Unchanged Limits

- Tax exclusion for dependent care FSA benefits*
- Catch-up contributions to an HSA
- HDHP minimum deductible
- Catch-up contributions to a 401(k) plan

Links and Resources

- [Revenue Procedure 2021-25](#): 2022 limits for HSAs and HDHPs
- [IRS Notice 2021-61](#): 2022 limits for retirement plans
- [Revenue Procedure 2021-45](#): 2022 limits for health FSAs, adoption assistance and transportation fringe benefits

Type of Limit		2021	2022	Change
HSA Contribution Limit	Self-only	\$3,600	\$3,650	Up to \$50
	Family	\$7,200	\$7,300	Up to \$100
HSA Catch-up Contributions*	Age 55 or older	\$1,000	\$1,000	No change
HDHP Minimum Deductible	Self-only	\$1,400	\$1,400	No change
	Family	\$2,800	\$2,800	No change
HDHP Maximum Out-of-pocket Expense Limit <i>(deductibles, copayments and other amounts, but not premiums)</i>	Self-only	\$7,000	\$7,050	Up to \$50
	Family	\$14,000	\$14,100	Up to \$100
Health FSA	Limit on employees' pre-tax contributions	\$2,750	\$2,850	Up to \$100
	Carryover limit	\$550	\$570	Up to \$20
Dependent Care FSA*	Tax exclusion	\$10,500 (\$5,250 if married and filing taxes separately)	\$5,000 (\$2,500 if married and filing taxes separately)	Return to traditional rules
Transportation Fringe Benefits <i>(monthly limits)</i>	Parking	\$270	\$280	Up to \$10
	Transit pass & vanpooling (combined)	\$270	\$280	Up to \$10
401(k) Contributions	Employee elective deferrals	\$19,500	\$20,500	Up to \$1,000
	Catch-up contributions	\$6,500	\$6,500	No change
Adoption Assistance Benefits	Tax exclusion	\$14,440	\$14,890	Up to \$450

*This limit is not generally subject to annual adjustment for inflation. However, for 2021, the American Rescue Plan Act (ARPA) increased the limit to \$10,500 (or \$5,250 for married individuals filing separately) due to the COVID-19 pandemic.

Our Experience Is Your Advantage