

IRS Announces 2015 Adjustments for Certain Benefit Items

Issue Date: November 2014

In Revenue Procedure 2014-61, the IRS set forth a variety of 2015 adjusted tax limits. Among other things, the notice addresses benefits related limits for health flexible spending accounts (FSAs), adoption assistance, and qualified transportation benefits.

Health Flexible Spending Account (FSA) – 2015 annual limitation of \$2,550

Healthcare reform imposed a \$2,500 limit on annual salary reduction contributions to health FSAs offered under Section 125 (Cafeteria) plans, effective for plan years beginning after December 31, 2012. The \$2,500 amount is indexed for cost-of-living adjustments for plan years beginning after December 31, 2013, but was not changed for 2014. For 2015, the annual limitation on salary reductions is increased to \$2,550.

Qualified Transportation Fringe Benefit – \$130 for transit pass / \$250 for qualified parking

- Monthly limitation for commuter highway vehicle or transit pass is \$130, which is unchanged
- Monthly limitation for qualified parking provided by an employer is \$250, which is unchanged

Adoption Assistance – \$13,400 for adoption of a child

Amounts paid by an employer for “qualified adoption expenses” incurred in connection with the adoption of a child are excludable from an employee’s gross income if furnished pursuant to an “adoption assistance program” of the employer. The limit on such amount has increased from \$13,190 for 2014 to \$13,400 for 2015.

Summary

A summary release of the various 2015 amount limits may be found [here](#). The full text of the notice may be found [here](#).

Please be aware that this does not represent legal or tax advice and is only Frenkel's interpretation of the laws, regulations and statutes. It is highly recommended that you seek the advice of your legal and tax professional as to the applicability of this information to your particular situation.