

## Fringe and Welfare Benefit Limit Increases for 2018

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October 25, 2017

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On October 19, 2017, the IRS released Revenue Procedure 2017-58, which increases the 2018 limits for certain fringe and welfare benefits as follows:

- Health Care Flexible Spending Accounts: The maximum amount an employee may contribute toward a healthcare flexible spending account through salary reduction is \$2,650.
- Qualified Transportation Benefits: The monthly limits for qualified parking expenses and commuter highway expenses/transit passes are \$260. The limit for qualified bicycle commuting reimbursements is unchanged (\$20 per month).
- Adoption Assistance Programs: The maximum amount that can be excluded from an employee's gross income for qualified adoption expenses provided through an adoption assistance program is \$13,840. This limit phases out for taxpayers whose modified adjusted gross income is over certain limits.
- Qualified Small Employer Health Reimbursement Arrangement (QSEHRA): The reimbursement limit for a QSEHRA is \$5,050 for individual coverage and \$10,250 for family coverage. QSEHRAs are limited to small employers with fewer than 50 full time equivalent employees. Please see our [earlier discussion of QSEHRAs](#).

[View Revenue Procedure 2017-58](#).