

# COMPLIANCE OVERVIEW

## Employee Benefit Plan Limits for 2023

Many employee benefits are subject to **annual dollar limits** that are adjusted for inflation by the IRS each year. 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 is consistent with the new limits.

This Compliance Overview includes a chart of the inflation-adjusted limits for 2023. **Due to high rates of inflation, all of these limits will substantially increase for 2023.** Note that there are some benefit limits that are not indexed for inflation, such as the dependent care FSA limit and the catch-up contribution limit for HSAs.

### LINKS AND RESOURCES

- [IRS Revenue Procedure 2022-24](#): 2023 limits for HSAs and HDHPs
- [IRS Notice 2022-55](#): 2023 limits for retirement plans
- [IRS Revenue Procedure 2022-33](#): 2023 limits for health FSAs, adoption assistance and transportation fringe benefits

### Increased Limits

- HSA contributions
- HDHP limits for minimum deductibles and out-of-pocket maximums
- Health FSA pre-tax contribution limit
- 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

The following limits stay the same from year to year because they are not indexed for inflation:

- Tax exclusion for dependent care FSA benefits
- Catch-up contributions to an HSA

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Limit	2022	2023	Change
<b>HSA Contribution Limit</b>			
Self-only	\$3,650	\$3,850	Up \$200
Family	\$7,300	\$7,750	Up \$450
Catch-up contributions*	\$1,000	\$1,000	No change
<b>HDHP Minimum Deductible</b>			
Self-only	\$1,400	\$1,500	Up \$100
Family	\$2,800	\$3,000	Up \$200
<b>HDHP Out-of-Pocket Maximum</b>			
Self-only	\$7,050	\$7,500	Up \$450
Family	\$14,100	\$15,000	Up \$900
<b>Health FSA</b>			
Limit on employees' pre-tax contributions	\$2,850	\$3,050	Up \$200
Carryover limit	\$570	\$610	Up \$40
<b>Dependent Care FSA*</b>			
Tax exclusion	\$5,000 (\$2,500 if married and filing taxes separately)	\$5,000 (\$2,500 if married and filing taxes separately)	No change
<b>Transportation Fringe Benefits (Monthly Limits)</b>			
Transit pass and vanpooling (combined)	\$280	\$300	Up \$20
Parking	\$280	\$300	Up \$20
<b>401(k) Contributions</b>			
Employee elective deferrals	\$20,500	\$22,500	Up \$2,000
Catch-up contributions	\$6,500	\$7,500	Up \$1,000
Limit on total contributions	\$61,000	\$66,000	Up \$5,000
<b>Adoption Assistance Benefits</b>			
Tax exclusion	\$14,890	\$15,950	Up \$1,060

\*Limits that are not adjusted for inflation