

ON YOUR TEAM.



GBS
Group Benefit Services
An AmWINS Group Company

COMPLIANCE ALERT

November 9, 2020

2021 ACA and IRS Plan Limits Announced

The latest published Health Savings Account limits for 2021 compared to 2020.

Health Savings Account and Other High Deductible Health Plan (HDHP) Limits		
	2021	2020
Annual Contribution Limit – Individual	\$3,600	\$3,550
Annual Contribution Limit – Family	\$7,200	\$7,100
Annual Catch-Up Contribution limit (age 55 or older)	\$1,000	\$1,000
Minimum Deductible for HDHP – Individual	\$1,400	\$1,400
Minimum Deductible for HDHP – Family	\$2,800	\$2,800
Out-of-Pocket Limit for HSA-qualified HDHP – Individual	\$7,000	\$6,900
Out-of-Pocket Limit for HSA-qualified HDHP - Family	\$14,000	\$13,800
ACA Compliance Plans Out-of-Pocket Limit - Individual	\$8,550	\$8,150
ACA Compliance Plans Out-of-Pocket Limit – Family	\$17,100	\$16,300

Employer Mandate Penalty (Per Full Time Equivalents – 30)		
	2021	2020
Failure to Offer Minimum Coverage	\$2,700	\$2,570
Offer is Not Affordable	\$4,060	\$3,860

Below are the latest published maximum contributions allowed by IRS for FSA Medical and Dependent Care Accounts as well as for Transportation Fringe Benefits compared to 2020.

Flexible Savings Accounts Contribution Limits		
	2021	2020
Flexible Spending Account – Health	\$2,750	\$2,750
Flexible Spending Account – Dependent Care – Married filing joint return	\$5,000	\$5,000
Flexible Spending Account – Dependent Care – Married filing separately	\$2,500	\$2,500
Transportation – Commuter Highway & Transit Pass	\$270/month	\$270/month
Transportation – Qualified Parking	\$270/month	\$270/month

2021 Affordability Contribution Percentage under the ACA

Published July 21, 2020

Most employers do not know their employees' household incomes so the ACA (Affordable Care Act) created a Safe Harbor in which any of the following can be used to determine 'income'.

1. The Employee's W-2 Wages found in Box 1
2. The Employee's rate of pay – hourly wage rate X 130 hours
3. The Individual Federal Poverty Level (FPL) for 2021 - \$12,760 (in the 48 Contiguous States and Washington DC)

2021 Affordability Safe Harbor Percentage		
	2021	2020
Affordability Contribution Percentage – self only coverage	9.83%	9.78%

This communication is not intended to be legal advice and should not be construed as legal advice. If you have any legal questions or concerns about your plan, GBS recommends seeking counsel from an ERISA attorney.

KEEPING YOU INFORMED. JUST ONE MORE REASON TO CHOOSE GBS.



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