

November 2022

**2023 ACA and IRS Plan Limits Announced**

The latest published Health Savings Account limits for 2023 compared to 2022.

**Information noted in Red indicates a change.**

Health Savings Account and Other High Deductible Health Plan (HDHP) Limits		
	2023	2022
Annual Contribution Limit – Individual	<b>\$3,850</b>	\$3,650
Annual Contribution Limit – Family	<b>\$7,750</b>	\$7,300
Annual Catch-Up Contribution limit (age 55 or older)	<b>\$1,000</b>	\$1,000
Minimum Deductible for HDHP – Individual	<b>\$1,500</b>	\$1,400
Minimum Deductible for HDHP – Family	<b>\$3,000</b>	\$2,800
Out-of-Pocket Limit for HSA-qualified HDHP – Individual	<b>\$7,500</b>	\$7,050
Out-of-Pocket Limit for HSA-qualified HDHP - Family	<b>\$15,000</b>	\$14,100
ACA Compliance Plans Out-of-Pocket Limit - Individual	<b>\$9,100</b>	\$8,700
ACA Compliance Plans Out-of-Pocket Limit – Family	<b>\$18,200</b>	\$17,400

IRS Information on some of the finalized limits can be viewed by clicking on the link below.

[RP-2022-24 \(irs.gov\)](#)

**Affordability Contribution Percentage under the ACA**

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 2023 - \$13,590 (in the 48 Contiguous States and Washington DC)
4. FPL for 2023 in Alaska - \$16,990
5. FPL for 2023 in Hawaii - \$15,630

Affordability Percentage		
	2023	2022
Affordability Contribution Percentage – <b>self only coverage</b>	<b>9.12%</b>	9.61%

Link below is to the IRS Notice announcing the 2023 Required Contribution Percentage

<https://www.irs.gov/pub/irs-drop/rp-22-34.pdf>

<b>Employer Mandate Penalty (Per Full Time Equivalents – 30)</b>		
	<b>2023</b>	<b>2022</b>
Failure to Offer Minimum Coverage to at least 95% of full-time employees – IRC §4890H(a)	<b>\$2,880</b>	<b>\$2,750</b>
Offer is Not Affordable – Penalty for each employee receiving a subsidy – IRC §4890H(b)	<b>\$4,320</b>	<b>\$4,120</b>

**Reminders of definitions of the above Penalties:****IRC §4890H(a)**

- Referred to as the “A Penalty”
- Applies where the Applicable Large Employer (ALE) fails to offer minimum essential coverage to at least 95% of full-time employees in any given month
- This penalty is focused on whether or not the employer offered a major medical plan to a sufficient percentage of full-time employees

**IRC §4890H(b)**

- Referred to as the “B Penalty”
- Applies where the ALE is not subject to the “A Penalty”
- Applies for each full-time employee who was:
  - Not offered minimum essential coverage
  - Offered unaffordable coverage
  - Offered coverage that did not provide minimum value

<b>Tax-Free Qualified Transportation Fringe Benefits</b>		
	<b>2023</b>	<b>2022</b>
Monthly qualified parking, transit passes or commuter highway vehicle	<b>\$300</b>	<b>\$280</b>

Link below is to the IRS website noting the change.

<https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2023>

<b>Health &amp; Dependent Care Flexible Spending Arrangement (FSA) Maximum Annual Contributions</b>		
	<b>2023</b>	<b>2022</b>
Health FSA Annual Salary Reduction Contribution	<b>\$3,050</b>	<b>\$2,850</b>
Health FSA Carryover	<b>\$610</b>	<b>\$570</b>
Dependent Care \$5,000 if married filing jointly. \$2,500 if married filing separate returns.	<b>\$5,000</b>	<b>\$5,000</b>

Link below is to the IRS website and notice documenting the changes.

<https://www.irs.gov/pub/irs-drop/rp-22-24.pdf>

<b>PCORI Fees Patient Centered Outcomes Research Trust Fund</b>	
Plan Years ending after September 1, 2021 and Before October 1, 2022	<b>Due July 31, 2023 \$2.79/per individual</b>
Plan Years ending after October 1, 2022 and Before January 1, 2023	<b>Due July 31, 2023 \$2.93/per individual</b>

Link below is to the IRS website and notice documenting the fees.

<https://www.irs.gov/affordable-care-act/patient-centered-outcomes-research-trust-fund-fee-questions-and-answers>