



IRS Announces New 2015 Benefit Plan Limits

Each year the Internal Revenue Service (IRS) announces the new limits for various aspects of employee benefits plans, principally as a result of the increase in the applicable cost-of-living indexes. For 2015 the Cost-of-Living Adjustment (COLA) is 1.7 % based on the increase in the Consumer Price Index (CPI-W). Due to this increase the IRS announced the following limits and thresholds effective for plan years beginning in 2015.

2015 Pre-tax Limits Released

	2015	2014
Highly Compensated Salary Definition	\$120,000	\$115,000
Key Employee in Top-Heavy Plan Salary Definition	\$170,000	\$170,000
Maximum Pre-Tax Contribution Limits (401(k)/403(b), most 457 Plans)	\$18,000	\$17,500
Pre-Tax 401(k) Catch-up Limits (over age 50)	\$6,000	\$5,500
Catch-up Contribution SIMPLE 401(k) plans	\$3,000	\$2,500
Maximum Salary Deferral SIMPLE 401(k) plans	\$12,500	\$12,000
Minimum Compensation Amount SEPs	\$600	\$550
Maximum Compensation Amount (401(a) plans, 403(b) plans, SEPs)	\$265,000	\$260,000
Health Savings Accounts (HSA) Limits (employer + employee)	Individual—\$3,350 Family—\$6,650 Catch Up— \$1,000	Individual—\$3,300 Family—\$6,550 Catch Up—\$1,000
Maximum Out-of-Pocket HSA High Deductible Health Plan (HDHP)	Individual—\$6,450 Family— \$12,900	Individual—\$6,350 Family—\$12,700
Minimum Deductible HSA High Deductible Health Plan (HDHP)	Individual—\$1,300 Family— \$2,600	Individual—\$1,250 Family—\$2,500
Transportation Benefits	Parking - \$250 Transit - \$130	Parking - \$250 Transit - \$130
Medical Out-of-Pocket Expenses Flexible Spending Accounts (FSA)	\$2,550	\$2,500
Dependent Care Expenses Flexible Spending Accounts (FSA)	\$5,000	\$5,000
Social Security Taxable Wage Base	\$118,500	\$117,000

Source: Internal Revenue Service, irs.gov, October 23, 2014, and Social Security Administration, ssa.gov, October 22, 2014.



Next Steps for Employers:

1. **Note the 2015 IRS Benefit and IRA limits;** Employers should update their plan documents with the new IRS limits.
2. **Notify HR Knowledge** of all plan changes to we may capture these changes on your benefits-at-a-glance and other important documents by emailing benefitsupport@hrknowledge.com.

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