

## HR Knowledge e-Alert!

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### IRS Releases Inflation Adjustments for 2018

Each year the Internal Revenue Service (IRS) announces the new limits for various aspects of employee benefits plans, principally because of the increase in the applicable cost-of-living indexes. In general, most plan limitations will not change for 2018 because the increase in the cost-of-living index did not meet the statutory threshold that triggers their adjustment. The IRS announced the following limits and thresholds effective for plan years beginning in 2018.

#### 2018 Pre-tax Limits Released

	2017	2018
<b>Highly Compensated Salary Definition</b>	\$120,000	\$120,000
<b>Key Employee in Top-Heavy Plan Salary Definition</b>	\$175,000	\$175,000
<b>Maximum Pre-Tax Contribution Limits</b> (401(k)/403(b), most 457 Plans)	\$18,000	<b>\$18,500</b>
<b>Pre-Tax 401(k) Catch-up Limits</b> (over age 50)	\$6,000	\$6,000
<b>Catch-up Contribution</b> <b>SIMPLE 401(k) plans</b>	\$3,000	\$3,000
<b>Maximum Salary Deferral SIMPLE 401(k) plans</b>	\$12,500	\$12,500
<b>Minimum Compensation Amount</b> <b>SEPs</b>	\$600	\$600
<b>Maximum Compensation Amount</b> (401(a) plans, 403(b) plans, SEPs)	\$270,000	<b>\$275,000</b>
<b>Health Savings Accounts (HSA) Limits</b> (employer + employee)	Individual-\$3,400 Family-\$6,750 Catch Up- \$1,000	<b>Individual-\$3,450</b> <b>Family-\$6,900</b> Catch Up- \$1,000
<b>Maximum Out-of-Pocket</b> <b>HSA High Deductible Health Plan (HDHP)</b>	Individual-\$6,550 Family- \$13,100	<b>Individual-\$6,650</b> <b>Family- \$13,300</b>
<b>Minimum Deductible</b> <b>HSA High Deductible Health Plan (HDHP)</b>	Individual-\$1,300 Family- \$2,600	<b>Individual-\$1,350</b> <b>Family- \$2,700</b>
<b>Transportation Benefits</b>	Parking - \$255 Transit - \$255	<b>Parking - \$260</b> <b>Transit- \$260</b>
<b>Medical Out-of-Pocket Expenses</b> Flexible Spending Accounts (FSA)	\$2,600	<b>\$2,650</b>
<b>Dependent Care Expenses</b> Flexible Spending Accounts (FSA)	\$5,000	\$5,000
<b>Social Security Taxable Wage Base</b>	\$127,200	<b>\$128,700</b>

#### Next Steps for Employers:

1. Note the 2018 IRS Benefit and IRA limits; Employers should update their plan

documents with the new IRS limits.

2. **Notify HR Knowledge** of all plan changes so we may capture these changes on your benefits-at-a-glance and other important documents by emailing [benefitsupport@hrknowledge.com](mailto:benefitsupport@hrknowledge.com).

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## About HR Knowledge, Inc.

Founded in 2001, HR Knowledge, Inc. is a privately funded company providing integrated outsourced HR services tailored to our clients' needs. Our full array of offerings includes managed payroll, employee benefits administration, and HR consulting and support services, such as training, compliance, custom-built software solutions, and Hiring Process Management™, our comprehensive recruitment service that takes you from finding to onboarding new talent. Our major markets are fast-growing small- and medium-sized businesses, many of which are venture-capital-backed; foreign companies expanding into the states; and charter schools. Partnering with HR Knowledge can reduce your administrative costs, minimize your legal risk, help you find and develop talent, and alleviate the HR burden so that you can focus on your core business.

