

IRS Limits Recently Announced for Benefits and Other Tax Provisions for 2016

The IRS recently announced cost-of-living adjustments for various provisions affecting employee benefit plans, savings programs and other tax provisions for the tax year 2016.

	2015	2016
Social Security Wage Base	\$118,500	\$118,500
RETIREMENT PLAN LIMITS		
Limit on Elective Deferrals	\$18,000	\$18,000
Limit on Catch-Up Deferrals	\$6,000	\$6,000
Annual Contribution Limit for Defined Benefit Plans	\$210,000	\$210,000
Contribution Limit for Defined Contribution Plans	\$53,000	\$53,000
Annual Compensation Limit	\$265,000	\$265,000
Highly Compensated Employee	\$120,000	\$120,000
Key Employee	\$170,000	\$170,000
HEALTH AND WELFARE PLAN LIMITS		
ACA Out-Of-Pocket Limit (non-grandfathered self-insured and large group health plans)		
Individual Coverage	\$6,600	\$6,850
Family Coverage	\$13,200	\$13,700*
High-Deductible Health Plan Deductible		
Individual Coverage	\$1,300	\$1,300
Family Coverage	\$2,600	\$2,600
High-Deductible Health Plan Out-Of-Pocket Maximum		
Individual Coverage	\$6,450	\$6,550
Family Coverage	\$12,900	\$13,100
Health Savings Account Contribution		
Individual Coverage	\$3,350	\$3,350
Family Coverage	\$6,650	\$6,750
Catch-Up Contributions	\$1,000	\$1,000
Flexible Spending Account Contribution	\$2,550	\$2,550
Dependent Care Spending Account Contribution	\$5,000	\$5,000
Qualified Transportation Fringe Benefit		
Qualified Parking	\$250	\$255
Mass Transit and Commuter	\$130	\$130
PCORI Fee	\$2.08	\$2.17
Transitional Reinsurance Fee	\$44	\$27

* New HHS requirement to apply the self-only limit maximum to all individuals, including those enrolled in other than self-only coverage.

For reference, see [IRS Revenue Procedure 2015-30](#) and [2015-53, IR-2015-118, IRS Notice 2015-60, Social Security Administration Contribution and Benefit Base Press Release, HHS Notice of Benefit and Payment Parameters 2016](#).

For more information regarding these or other changes in the law affecting your employee benefits, please contact:

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