



SITZMANN ▪ MORRIS ▪ LAVIS

Employee Benefits | Life Insurance | Risk Management

TO: Clients of Sitzmann Morris & Lavis Insurance Agency

RE: 2015 Health FSA and Sec. 132 Limits

The U.S. Treasury announced the 2015 limits for Sec. 125 health flexible spending accounts (FSAs) and Sec. 132 Parking & Transit. See [Revenue Procedure 2014-61](#) for complete details.

Key Provisions:

- The 2015 annual limit for FSA's is \$2,550 – an increase of just \$50.
 - Employers are not required to change their limit. If they choose to do so then they must amend their Plan.
 - Reminder: If you allow for a rollover, that amount is not included towards the maximum amount of salary reductions allowed for the year. For example, if the employer adopts the \$2,550 max, and the employee elected \$2,500 in 2014 and rolls over \$400, the employee can still elect up to \$2,550 in 2015.

- The monthly limit for parking and transit remains the same: \$250 for parking and \$130 for transit
 - SB 2260 would increase the 2014 transit limit to \$250, but the bill has not made it out of committee.

Action Item:

An amendment must be adopted before the last day of the Plan year if you wish to change the FSA limit.

What's Next:

Contact your SML Account team if you have any questions.

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