

## EMPLOYEE BENEFITS

## 2024 FSA and Transportation Limit Updates

On November 9, 2023, the IRS released [Revenue Procedure 2023-34](#), providing a list of inflationary adjustments made to certain employee health and welfare benefits (and other various items) for the 2024 calendar year, including:

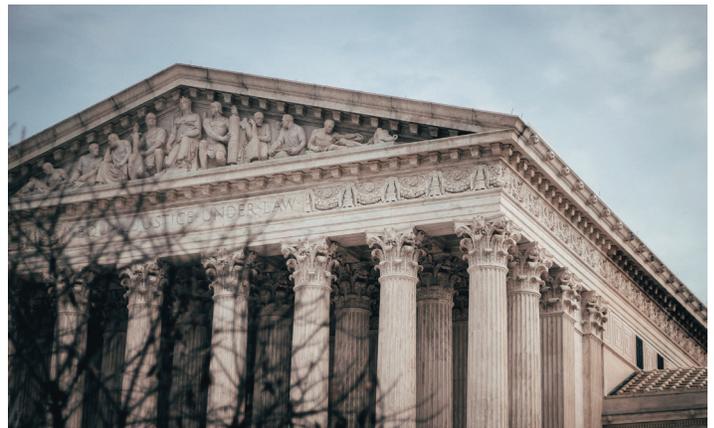
- 2024 inflationary-adjusted health FSA employee contribution limits
- 2024 inflationary-adjusted qualified transportation fringe benefit reimbursement program limits

The new limits for these benefits are as follows:

- 1) Health FSA (for both general purpose and limited purpose health FSAs):
  - a. An employee may contribute a maximum of \$3,200 to a health FSA for plan years beginning on or after January 1, 2024 (up from \$3,050 in 2023).
  - b. An employee may carryover a maximum amount of \$640 from a plan that has a plan year beginning on or after January 1, 2024, to the following plan year (up from \$610 in 2023).
- 2) Commuter Transit/Qualified Parking Benefit Limits
  - a. An employee may receive up to \$315 per month in reimbursements for qualified transportation expenses (e.g., commuter highway vehicle, transit passes) (up from \$300 in 2023).
  - b. An employee may receive up to \$315 per month in reimbursements for qualified parking expenses (up from \$300 in 2023).

The maximum amount of dependent care FSA (DCAP) benefits that may be received on a tax-free basis during a calendar year has not changed and continues to be \$5,000 in 2024 for most employees.

As a reminder, these annual adjustments are permissive, meaning employers/plan sponsors are not required to adopt the above inflationary adjustments within their plan. If an employer/plan sponsor chooses to adjust their employee contribution/reimbursement amounts, they should reflect such changes within their accompanying document(s) that describe the plan(s).



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