



2022 Index Figures

The following general summary is intended to educate employers and plan sponsors on the potential effects of recent government guidance on employee benefit plans. This summary is not and should not be construed as legal or tax advice. The government's guidance is complex and very fact specific. As always, we strongly encourage employers and plan sponsors to consult competent legal or benefits counsel for all guidance on how the actions apply in their circumstances.

On November 10, 2021, the Internal Revenue Service issued¹ the 2022 annual inflation adjustments for many tax provisions of the IRS Code. These adjusted amounts will be used to prepare tax year 2022 returns in 2023. Also, on November 4, the IRS released² the dollar limitations for qualified retirement plans for tax year 2022, including 401(k) plans.

Indexed Compensation Levels

For highly compensated and Key Employee definitions:

	2022	2021	2020	2019
Highly Compensated Employee	\$135,000	\$130,000		\$125,500
Key Employee	\$200,000	\$185,000		\$180,000

401(k), 403(b), or 457 Plans

	2022	2021	2020	2019
Maximum Employee Contribution	\$20,500	\$19,500		\$19,000
Maximum Catch-Up Allowed 50+		\$6,500		\$6,000

Health Flexible Spending Account (FSA)

	2022	2021	2020	2019
Annual Salary Reduction Limit	\$2,850	\$2,750		\$2,700

As a reminder, Healthcare FSAs that permit the carryover of unused amounts, the maximum carryover amount is increased to an amount equal to 20 percent of the maximum health FSA salary reduction contribution for that plan year. Accordingly, the maximum carryover amount from a plan year beginning in 2022 to be carried over to the immediately subsequent plan year beginning in 2023 is \$570 (= \$2,850 * 20%).³

¹ <https://www.irs.gov/pub/irs-drop/rp-21-45.pdf>

² <https://www.irs.gov/pub/irs-drop/n-20-79.pdf>

³ <https://www.irs.gov/pub/irs-drop/n-20-23.pdf>

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Dependent Care Assistance Program (DCAP)

	2022	2021*	2020	2019
Maximum DCAP Amount				
Unless Married Filing Separately		\$5,000		
If Married Filing Separately		\$2,500		
Deemed Income of Spouse Incapable of Self-Care or Full-Time Student				
With 1 Qualifying Individual		\$250/month		
With 2 or More Qualifying Individuals		\$500/month		

*While the \$5,000/\$2,500 DCAP limit has not changed, the maximum amount of DCFSA benefits permitted for income exclusion was temporarily increased to \$10,500 (or \$5,250 for married taxpayers filing separately) for the 2021 taxable year only⁴ and will return to \$5,000/\$2,500 for 2022 and subsequent years unless Congress acts.

There are adjustments to some of the general tax limits that are relevant to the federal income tax savings under a DCAP. These include the 2022 tax rate tables, earned income credit amounts, and standard deduction amounts. The child tax credit limits are also relevant when calculating the federal income tax savings from claiming the dependent care tax credit (DCTC) versus participating in a DCAP.

Commuter Accounts

	2022	2021	2020	2019
Parking – Monthly Limit	\$280	\$270		\$265
Transit and Vanpooling – Monthly Limit	\$280	\$270		\$265

Adoption Assistance Exclusion and Adoption Credit

	2022	2021	2020	2019
Phase Out (modified Adjusted Gross Income)	\$223,410 - \$263,410	\$216,660 - \$256,660	\$214,520 - \$254,520	\$211,160 – 251,160
Maximum Exclusion for Employer-Provided Adoption Assistance	\$14,890	\$14,400	\$14,300	\$14,080

⁴https://www.healthequity.com/doclib/compliance/Compliance_Alert_American_Rescue_Plan_Act_COBRA_Subsidy_Final_3.12.2021.pdf

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Adoption Tax Credit Limit	\$14,890	\$14,400	\$14,300	\$14,080
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Health Savings Account (HSA)⁵

	2022 ⁶	2021	2020	2019
Minimum deductible amounts for the qualifying high-deductible health plan (HDHP)				
Individual Coverage	\$1,400		\$1,350	
Family Coverage	\$2,800		\$2,700	
Maximum Contribution Levels				
Individual Coverage	\$3,650	\$3,600	\$3,550	\$3,500
Family Coverage	\$7,300	\$7,200	\$7,100	\$7,000
Catch-Up Allowed for Those 55+	\$1,000			
Maximums for HDHP Out-of-Pocket Expenses				
Individual Coverage	\$7,050	\$7,000	\$6,900	\$6,750
Family Coverage	\$14,100	\$14,000	\$13,800	\$13,500

Excepted Benefit Health Reimbursement Arrangement (EBHRA)

	2022 ⁶	2021	2020	2019
Maximum Newly Available Benefit Amount	\$1,800			N/A ⁷

Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)

	2022	2021	2020	2019
Individual Coverage	\$5,450	\$5,300	\$5,250	\$5,150
Family Coverage	\$11,050	\$10,700	\$10,600	\$10,450

⁵ <https://www.wageworks.com/employers/employer-resources/compliance-briefing-center/regulatory-updates/2021/2022-hsa-index-figures-and-irs-guidance-on-tax-treatment-of-dependent-care-benefits-available-under-extended-claims-periods-or-carryover/>

⁶ <https://www.irs.gov/pub/irs-drop/rp-21-25.pdf>

⁷ EBHRAs are only available for plan years beginning on or after January 1, 2020.



Archer Medical Savings Account (MSA)

	2022	2021	2020	2019
Minimum/Maximum Deductible Amounts for the Qualifying High-Deductible Health Plan (HDHP)				
Individual Coverage	\$2,450 - \$3,700	\$2,400 - \$3,600	\$2,350 - \$3,550	\$2,350 - \$3,500
Family Coverage	\$4,950 - 7,400	\$4,800 - \$7,150	\$4,750 - \$7,100	\$4,650 - \$7,000
Maximum Contribution Levels				
Individual Coverage – 65% of Deductible Amount	\$2,405.00	\$2,340.00	\$2,307.50	\$2,275.00
Family Coverage – 75% of Deductible Amount	\$5,550.00	\$5,362.50	\$5,325.00	\$5,250.00
Maximums for HDHP Out-of-Pocket Expenses				
Individual Coverage	\$4,950	\$4,800	\$4,750	\$4,650
Family Coverage	\$9,050	\$8,750	\$8,650	\$8,550

Nothing in this communication is intended as legal, tax, financial or medical advice. We assume no liability whatsoever in connection with its use, nor are these comments directed to specific situations. Always consult a professional when making life-changing decisions.