2020 FSA, Qualified Small Employer HRA & Qualified Transportation Fringe Benefit Limits

The Tax Cuts and Jobs Act mandates that certain tax figures be adjusted annually for cost-of-living increases. The release by the US Bureau of Labor Statistics of the August 2019 Consumer Price Index summary allows Oswald to calculate the 2020 indexed amounts related to IRAs, Qualified Small Employer HRA’s and Qualified Transportation Fringe Benefits.

Employee Health FSA Contributions

For cafeteria plans offering medical flexible spending accounts, effective for plan years beginning on or after January 1, 2020, employees may elect salary reduction contributions of $2750, an increase from the 2019 limit of $2700.

Qualified Small Employer HRA

For 2020, a Qualified Small Employer HRA arrangement which, among other requirements, makes payments and reimbursements for qualifying medical care expenses of an eligible employee that do not exceed $5,250 (up from $5,150 for 2019), or $10,600 in the case of an arrangement that also provides for payments or reimbursements for family members of the employee (up from $10,450 for 2019).

Qualified Transportation Fringe Benefits

For 2020, an employee will be able to exclude up to $270 (up from $265 for 2019) a month for qualified parking expenses, and up to $270 a month (up from $265 for 2019) of the combined value of transit passes and transportation in a commuter highway vehicle.

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