



IRS Announces 2024 Increases to Flex Benefit Contribution Limits

The IRS has announced the 2024 contribution maximums for Flexible Spending Account (FSA) plans in the newly released **Revenue Procedure 2023-34**. Contribution limits will all increase in 2024, except for Dependent Care FSAs which remain the same at \$5,000 per year.

Health Flexible Spending Account

The Health FSA, which provides employees the ability to set aside money on a pre-tax basis to pay for eligible medical, dental, and vision expenses will have an increase to its contribution maximum from \$3,050 to \$3,200 for 2024. The new contribution limit will also apply to the Limited Purpose FSA which reimburses eligible dental and vision expenses. Limited Purpose FSA limits will also increase from \$3,050 to \$3,200 for 2024.

Carryover Limit

The FSA Carryover limit provides employers the option to transfer a maximum amount of remaining FSA balances at a plan year's end to carryover for use during the next plan year. This is available with Healthcare and Limited Purpose FSAs only. The carryover limits for this account will increase from \$610 to \$640 for 2024.

Commuter Benefits

Commuter Benefits help employees pay for certain parking, mass transit and/or vanpooling expenses with pre-tax dollars. The contribution limits for this account will increase from \$300 to \$315 for 2024.

Adoption Assistance

The Adoption Assistance FSA helps employees pay eligible adoption expenses such as agency fees and court costs by contributing to the account with pre-tax money from their paycheck. The contribution limits for this account will increase from \$15,950 to \$16,810 for 2024.

2023 and 2024 Contribution Amounts		
Benefit	2023	2024
Health FSA	\$3,050/year	\$3,200/year
FSA Carryover Limit	\$610/year	\$640/year
Limited Purpose FSA	\$3,050/year	\$3,200/year
Dependent Care FSA	\$5,000/year	\$5,000/year
Parking/Transportation	\$300/month	\$315/month
Adoption Assistance	\$15,950/year	\$16,810/year

