



ATTENTION FSA ENROLLEES

2019 FSA CONTRIBUTION LIMITS

November 15, 2018

Explanation of IRS Update

The purpose of this notification is to provide you an update to important changes to your FSA contribution limits effective January 1, 2019. As you are aware, the IRS allows participants to contribute to an FSA with pre-tax contributions. Although the tax benefits are very advantageous to eligible participants, the IRS sets maximums on how much pre-tax funds you can deposit within a given plan year. Below describes the new contributions limits for 2019.

2019 FSA Contribution Limits:

| | 2018 | 2019 | Increase |
|--|---------|---------|-----------|
| Health Care FSA – Yearly | \$2,650 | \$2,700 | +\$50 |
| Dependent Care FSA – Yearly | \$5,000 | \$5,000 | No Change |
| Commuter FSA - Monthly (Parking and Transit) | \$260 | \$265 | \$5 |



How to Maximize Your FSA:

Contributing to your FSA allows you to take full advantage of the pre-tax benefit offered by the IRS. All funds deducted from your paycheck are not taxed. Therefore your take-home pay increases and health care, dependent care and commuter expenses become more affordable.



Tax Savings Illustration:

| | Not Enrolled in an FSA | Enrolled in an FSA |
|--------------------------|------------------------|--------------------|
| Before-Tax Annual Income | \$38,000 | \$38,000 |
| FSA Contribution | \$0 | -\$500 |
| Taxable Annual Income | \$38,000 | \$37,500 |
| Payroll Taxes | -\$10,127 | -\$9,994 |
| Out of Pocket Expenses | -\$500 | \$0 |
| Take-Home Annual Income | \$27,373 | \$27,506 |
| Tax Savings | \$0 | \$133 |