

DECEMBER 2014

P&A GROUP

INFLATION ADJUSTED ITEMS FOR 2015

The IRS released inflation-adjusted items for 2015. The new limits are listed below:

401(k)&403(b) Plans

For 401(k), 403(b) and most 457 plans, the elective deferral limit is \$18,000. The catch up contribution limit for employees ages 50 and over who participate in 401(k), 403(b), and most 457 plans is \$6,000.

The limitation used in the definition of highly compensated employees under Section 414(q)(1)(B) is increased from \$115,000 to \$120,000.

Cafeteria Plans

For 2015, the dollar limitation on employee salary reduction contributions to health FSAs has increased \$50 to \$2,550 per employee.

Qualified Transportation Fringe Benefit

For 2015, the monthly limit on the amount that may be excluded from an employee's income for the qualified parking benefits is \$250.

The combined monthly limit for the transit passes and vanpooling expenses for 2015 is \$130.

Adoption Assistance Programs

The maximum amount that may be excluded from an employee's gross income under an employer-provided adoption assistance program for the adoption of a child will be \$13,400 for 2015 (a \$210 increase from the 2014 maximum of \$13,190). The credit allowed for an adoption of a child with special needs is \$13,400.

The available adoption credit begins to phase out under § 23(b)(2)(A) for taxpayers with modified adjusted gross income in excess of \$201,010 and is completely phased out for taxpayers with modified adjusted gross income of \$241,010 or more.

To review IRS 2014-61, please click this link: [IRS Guidelines](#)