

LAW & POLICY GROUP

GRIST



2020 QUALIFIED TRANSPORTATION, HEALTH FSA AND ARCHER MSA LIMITS PROJECTED

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Mercer has projected 2020 limits for qualified transportation (parking and transit) benefits, health flexible spending arrangements (FSAs) and Archer medical savings accounts (MSAs). These unofficial 2020 limits are determined using the Internal Revenue Code's cost-of-living adjustment methods, [chained Consumer Price Index for All Urban Consumers](#) (chained CPI) values through July and Mercer's projected chained CPI for August. IRS is expected to announce the official 2020 limits for these benefits in October.

Limits for adoption assistance programs are also based on chained CPI for the 12-month period ending Aug. 31, 2019, but can't be reliably estimated in advance due to the small rounding threshold. IRS usually announces these limits in October, along with long-term care limits (based on the medical component of chained CPI for August).

QUALIFIED TRANSPORTATION, HEALTH FSA AND ARCHER MSA LIMITS
 Limits for qualified transportation fringe benefits and health FSAs are expected to increase slightly in 2020. Most Archer MSA limits are expected to increase, though the minimum annual deductible for self-only coverage is projected to remain the same, and the maximum out-of-pocket limit for family coverage is too close to call.

QUALIFIED TRANSPORTATION, HEALTH FSA AND ARCHER MSA LIMITS	PROJECTED 2020	2019
Tax-free qualified transportation fringe benefits (IRC § 132(f))		
Qualified parking, transit passes or commuter highway vehicles	\$270	\$265
Health FSA limit (IRC § 125(i))		
Maximum salary reduction contribution	2,750	2,700

QUALIFIED TRANSPORTATION, HEALTH FSA AND ARCHER MSA LIMITS	PROJECTED 2020	2019
Archer MSA limits (IRC § 220(c)(2))		
Self-only coverage		
Minimum annual deductible	\$2,350	\$2,350
Maximum annual deductible	3,550	3,500
Maximum out-of-pocket limit	4,750	4,650
Family coverage		
Minimum annual deductible	4,750	4,650
Maximum annual deductible	7,100	7,000
Maximum out-of-pocket limit	8,650 or 8,700*	8,550
* Projected limit is close to the rounding breakpoint; August inflation of approximately 0.2% will produce the higher limit		

RELATED RESOURCES

Non-Mercer Resources

- [Chained Consumer Price Index for All Urban Consumers](#) (Bureau of Labor Statistics)

Mercer Law & Policy Resources

- [2020 Affordable Percentage for Employer Health Coverage Shrinks](#) (July 23, 2019)
- [2020 Health Savings Account, High-Deductible Health Plan Figures Issued](#) (May 28, 2019)
- [2020 ACA Cost-Sharing Caps Set, Play-or-Pay Penalties Projected](#) (May 8, 2019)
- [Summary of 2019 Benefit-Related Cost-of-Living Adjustments](#) (March 18, 2019)

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