

2022 COLAs for Benefit Plans

November 2021

Each year, various federal regulators announce cost-of-living adjustments (COLAs) affecting tax, employee benefits dollar amounts and penalties for the upcoming calendar year. Highlights of adjustments for 2022 that are most relevant to health and benefits plans (including prior amounts from 2021) are listed below.

| | 2021 | 2022 | Change |
|-------------------------------------------------------------------|----------|----------|-----------|
| Health Savings Accounts (HSAs): IRC § 223(b)(2) | | | |
| Maximum Annual Contribution - Individual Coverage | \$3,600 | \$3,650 | +\$50 |
| Maximum Annual Contribution - Family Coverage | \$7,200 | \$7,300 | +\$100 |
| Catch-up Contribution - age 55 and over - IRC §223(b)(3) | \$1,000 | \$1,000 | No change |
| High Deductible Health Plan HDHP/HSA IRC § 223(c)(2)(A) | | | |
| Minimum Annual Deductible - Individual Coverage | \$1,400 | \$1,400 | No Change |
| Minimum Annual Deductible - Family Coverage | \$2,800 | \$2,800 | No Change |
| Maximum Out-of-Pocket Expenses - Individual Coverage | \$7,000 | \$7,050 | +\$50 |
| Maximum Out-of-Pocket Expenses - Family Coverage | \$14,000 | \$14,100 | +\$100 |
| ACA cost-sharing limits for group health plans (all sizes) | | | |
| Maximum Out-of-Pocket Expenses - Individual Coverage | \$8,550 | \$8,700 | +\$150 |
| Maximum Out-of-Pocket Expenses - Family Coverage | \$17,100 | \$17,400 | +\$300 |
| Archer MSAs | | | |
| Minimum HDHP Deductible - Individual Coverage | \$2,400 | \$2,450 | +\$50 |
| Minimum HDHP Deductible - Family Coverage | \$4,800 | \$4,950 | +\$150 |
| Maximum HDHP Deductible - Individual Coverage | \$3,600 | \$3,700 | +\$100 |
| Maximum HDHP Deductible - Family Coverage | \$7,150 | \$7,400 | +\$250 |
| Maximum HDHP Out-of-pocket - Individual Coverage | \$4,800 | \$4,950 | +\$150 |
| Maximum HDHP Out-of-pocket - Family Coverage | \$8,750 | \$9,050 | +\$300 |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------|
| Health FSA and DCAP | | | |
| Health FSA maximum contribution, regardless of marital status | \$2,750 | \$2,850 | +\$100 |
| Health FSA carryover limit | \$550 | \$570 | +\$20 |
| Dependent Care Assistance Plan (DCAP) maximum contribution, if employee is married and filing a joint return or is a single parent filing as "House of Household" - IRC § 129 | \$5,000 <i>(but ARPA raised to \$10,500)</i> | \$5,000 | No change |
| Dependent Care Assistance Plan (DCAP) maximum contribution, if employee is married but filing a separate return from spouse | \$2,500 <i>(but ARPA raised to \$5,250)</i> | \$2,500 | No change |
| Expanded HRAs | | | |
| QSEHRA Max Reimbursement Allowed - Individual Coverage | \$5,300 | \$5,450 | +\$150 |
| QSEHRA Max Reimbursement Allowed - Family Coverage | \$10,700 | \$11,050 | +\$350 |
| EBHRA Max amount newly made available for a Plan Year | \$1,800 | \$1,800 | No Change |
| ICHRA | No limits | No limits | No limits |
| Highly Compensated and Key Employee Thresholds | | | |
| Highly Compensated Employee (HCE) Threshold - IRC §414(q)(1)(B) | \$130,000 | \$135,000 | +\$5,000 |
| Key Employee, Officer - IRC § 416(i)(1)(A)(i) | \$185,000 | \$200,000 | +\$15,000 |
| Affordable Care Act Amounts | | | |
| Annual 5000A(c) penalty for individual not having "minimum essential coverage" (MEC): greater of dollar amount or percentage of modified adjusted gross income (MAGI) | \$0 | \$0 | No change |
| Annual 4980H(a) penalty for large employer not offering MEC to at least 95% of full-time employees. Multiply penalty amount by total number of full-time employees minus 30. | \$2,700 | \$2,750 | +\$50 |
| Annual 4980H(b) penalty for large employer not offering affordable minimum value coverage to all full-time employees. Penalty amount is per each full-time EE who qualifies for a subsidy to buy insurance in the marketplace. | \$4,060 | \$4,120 <i>(projected, not released yet)</i> | +\$60 |
| Affordability Percentage for Employer Shared Responsibility | 9.83% | 9.61% | -0.22% |
| Federal Poverty Line salary for household size of one | \$12,880 | <i>Not released yet</i> | n/a |

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