



2012 ADJUSTMENTS FOR WELFARE BENEFITS

The IRS has announced the 2012 limitation amounts for Health Savings Accounts as determined under Code Section 233. The new limits for 2012 are as follows:

High Deductible Health Plan Limits

	<i>Single Coverage</i>	<i>Family Coverage</i>
Minimum Deductible	\$1,200	\$2,400
Out-of-Pocket Maximum	\$6,050	\$12,100

HSA Contribution Limits

<i>Single Coverage</i>	<i>Family Coverage</i>	<i>Age 55+ Catch-Up</i>
\$3,100	\$6,250	\$1,000

The IRS has also announced the 2012 cost-of-living adjustments for various welfare benefit dollar limits. The 2012 limits are as follows:

Transportation Fringe Benefits

	<i>2011</i>	<i>2012</i>
Section 132(f)(2)(A) monthly limit for transportation fringe benefits	\$230	\$125*
Section 132(f)(2)(B) monthly limit for qualified parking fringe benefits	\$230	\$240

Adoption Assistance Exclusion/Adoption Credit

	<i>2011</i>	<i>2012</i>
Section 137(a)(2) exclusion for adoption of a child with special needs	\$13,360	\$12,650*

Section 137(b)(1) maximum credit for qualified adoption expenses for other adoptions	\$13,360	\$12,650*
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Both limits will begin to be phased out for individuals with modified adjusted gross income greater than \$189,710 and will be entirely phased out for individuals with modified adjusted gross income of \$229,710 or more. These income levels are \$4,500 higher than for 2011.

Archer MSA High Deductible Health Plan Limits

Section 220(c)(2)(A) annual requirements

	<u>2011</u>	<u>2012</u>
<i>Self-Only Coverage:</i>		
A Deductible Between	\$2,050 & \$3,050	\$2,100 & \$3,150
Out-of-Pocket Maximum	\$4,100	\$4,200
<i>Family Coverage:</i>		
A Deductible Between	\$4,100 & \$6,150	\$4,200 & \$6,300
Out-of-Pocket Maximum	\$7,500	\$7,650

*Note that, due to the expiration of temporary increases, these limits have decreased for 2012.

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