



Update Newsletter January 9, 2012

Health Care Spending Account Limits for 2013

Due to mandatory Healthcare Reform regulations, as of January 1, 2013 the maximum cap for the health care spending accounts will be \$2,500 and indexed annually thereafter.

If your plan year crosses over January 1, 2013 (for example February 1, 2012 through January 31, 2013), you will be required to make this change at your 2012 renewal.

Plans are set up with the intent to be ongoing through 12 months, so you cannot set up the plan to run through the end of the plan year at one amount and then start a new plan as of January 1, 2013 to reflect the \$2,500 maximum. The cap is not a status change and therefore does not allow employees to make a change or reduction in their elections on January 1, 2013.

As we create new documentation with your renewal, we will ensure on our end that these IRS requirements are adhered to. We will also have a notice in the pre-renewal documentation we send you.