



CLIENT ALERT

Client Alert Applies To: Self-Funded, Fully-Funded, Large Group, and Small Group

October 26, 2022

IRS Releases 2023 FSA Contribution Limit

The IRS recently released [*Revenue Procedure 2022-38 \(Rev. Proc. 2022-38\)](#), confirming that for plan years beginning on or after January 1, 2023, the health Flexible Spending Account (FSA) contribution limit will increase to \$3,050. The adjustment for 2023 represents a \$200 increase to the 2022 health FSA contribution limit of \$2,850.

The original \$2,500 contribution limit is adjusted annually based on a complex cost-of-living calculation tied to certain consumer price index increases. The high inflation levels in 2022 were sufficient to boost the health FSA salary-reduction contribution limit by \$200, to a maximum of \$3,050 for plan years beginning on or after January 1, 2023. The Rev. Proc. 2022-38 also increases the 2023 maximum carryover limit for the health FSA to \$610 (up from 2022's limit of \$570).

* <https://www.irs.gov/pub/irs-drop/rp-22-38.pdf>

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