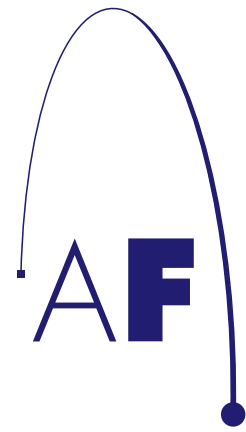

AmeriFlex 2009 COMPLIANCE UPDATES

October 27, 2008 / Mount Laurel, NJ



The IRS recently released the 2009 cost-of-living adjustments for Commuter Reimbursement Accounts and Health Savings Accounts. In addition, AmeriFlex provides updates on other recent IRS news.

Commuter Reimbursement Accounts

For 2009, the monthly limit on the amount that may be excluded from an employee's income for Reimbursement Accounts under Section 132(f)(2)(A) will be \$120 for transit and vanpooling expenses combined (a \$5 increase from the 2008 limit). The monthly limit under Section 132(f)(2)(B) for qualified parking benefits will be \$230 (a \$10 increase from the 2008 limit).

2009 Health Savings Accounts (HSA's)	Individual	Family
HDHP Minimum Annual Deductible	\$ 1,150	\$ 2,300
HDHP Out-of-Pocket Maximum	\$ 5,800	\$11,600
HSA Maximum Contribution Limit	\$ 3,000	\$ 5,950
HSA Catch-Up Contribution Limit	\$ 1,000	\$ 1,000

Qualified Reservist Distributions

Employers can now excuse many employees called to active military service from the "use-it-or-lose-it" rule that usually applies to medical FSAs. According to the Internal Revenue Service ("IRS"), employers can offer to "cash-out" the entire leftover balance of these employees' health FSAs or simply the difference between the amount the employee contributed to the FSA and the amount already distributed to the employee for medical expenses. These "qualified reservist distributions" will be taxable income to the employee and plan documents must expressly allow for the distributions. For more information, see <http://www.irs.gov/pub/irs-drop/n-08-82.pdf>.

Possible Delay for Final Cafeteria Plan Regulations

It is not official yet, but as we enter the fourth quarter of 2008 without any further word from the IRS, it's becoming more likely that the effective date for the final "proposed" cafeteria plan regulations published in August 2007 will be pushed back to January 1, 2010, one year later than the original effective date of January 1, 2009. AmeriFlex will publish an update if and when an official delay is announced.

Benefit for Bicyclists

Congress established a tax benefit for bicyclists as part of the Emergency Economic Stabilization Act of 2008. Employers that offer commuter reimbursement arrangements to their employees for parking and mass transit expenses can now also offer reimbursements up to \$20 a month for the "purchase, improvements, repair, and storage" of bicycles used for commuting. This is a brand-new law (it was part of the "bailout package" passed in early October) and the IRS has not yet issued specific guidelines on its implementation. AmeriFlex will publish an update when those guidelines are issued.

For more information, please contact AmeriFlex's Compliance Department at compliance@flex125.com or 888-868-FLEX (3539) ext. 117.