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spending account participants to roll over up to \$500 of their unused account balances into the next year.

James Paille • Dec. 24, 2013

A pleasant surprise is in store for flexible spending account participants in 2014.

The IRS surprised employers a few weeks back with a rule change that allows flexible spending account participants to roll over up to \$500 of their unused account balances into the next year. The change even allows the rollover of 2013 balances, meaning that flexible spending accounts are no longer a strictly use-it-or-lose-it proposition. Companies that provide HSAs for their employees will need to change their plan descriptions in order to take advantage of the new carryover rules.

Other rate changes are more pedestrian; mostly incremental increases in limits. Here's a rundown of the changes in the most commonly used rates and limits.

2014 Rates

	2013	2014
Social Security	\$113,700	\$117,000
	FICA:	FICA:
	6.2% \$7049.40	6.2% \$7254.00
	Medicare:	Medicare:
	1.45% \$200,000	1.45% \$200,000
	2.35% > \$200,000	2.35% > \$200,000
Domestic worker threshold	\$1,800	\$1,900
Elections workers	\$1,600	\$1,600
Transit passes, van pool, bike	\$245/\$245/new	\$130/\$130/\$20

Parking

\$245

\$250

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414(v) catch-up simple	\$2,500	\$2,500
IRA	\$5,500-6,500 > 50	\$5,500-6,500 > 50
Limitations		
– Highly Compensated 414	\$115,000	\$115,000
Annual compensation limits		
– 401 gvt plans in effect 7/1/93	\$380,000	\$385,000
HSA		
Annual deduction limit single/family	\$1,250/\$2,500	\$1,250/\$2,500
Maximum out-of-pocket single/family	\$6,250/\$12,500	\$6,350/\$12,700
Maximum annual contribution single/family	\$3,250/\$6,450	\$3,300/\$6,550
Maximum annual catch-up (55)	\$1,000	\$1,000
Foreign Income Exclusion	\$97,600	\$99,200
Minimum annual comp 408	\$550	\$550
Adoption Exclusion limits	\$12,970	\$13,190
– Phase out AGI	\$194,580	\$197,880
– Total exclusion AGI	\$234,580	\$237,880
Definition of Control Employee	\$100,000	\$105,000
– Corp officer	\$100,000	\$105,000
– Earnings test	\$205,000	\$210,000
Definition of Highly Comp.	\$115,000	\$115,000
Key Employee Top Heave Plan	\$165,000	\$170,000
Long-term premiums		
– < 40	\$350	\$370
– 40-50	\$680	\$700
– 50-60	\$1,360	\$1,400
– 60-70	\$3,640	\$3,720
– > 70	\$4,550	\$4,660

Foreign Income Exclusions

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State	2013	2014
Alaska	\$36,900	\$38,000
Colorado	\$11,300	\$11,700
Delaware	\$10,500	\$18,500
Hawaii	\$39,600	\$40,400
Idaho	\$34,800	\$35,500
Illinois	\$12,900	\$12,960
Kentucky	\$9,300	\$9,600
Montana	\$27,900	\$29,000
Nevada	\$26,900	\$27,400
New York	\$8,500	\$10,300
New Jersey	\$30,900	\$38,000
Oklahoma	\$20,100	\$31,500
Pennsylvania	\$8,500	\$8,750
Rhode Island	\$20,200/\$21,700	\$20,600/\$22,100
South Dakota	\$13,000	\$14,000
Utah	\$30,300	\$31,100
Washington	\$39,800	\$41,300
Wyoming	\$23,800	\$24,600

State minimum wage changes. Only states with changes for 2014 are shown. All are effective 1/1/2014 except as noted.

State	2013	2014
California	\$8.00	\$9.00 (effective 7/1/2014)
Colorado	\$7.78	\$8.00 (proposed)
Connecticut	\$8.25	\$8.70
Florida	\$7.79	\$7.93

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All numbers are current as of Nov 18, 2013 and subject to additions and changes.

James Paille, CPP, is the Director of Operations for [Thomson Reuters'](#) myPay Solutions. He has been an executive manager in the payroll service industry for over 30 years, specializing in managing multi-location offices. He is a member of the APA's Board of Directors and National Speakers Bureau, and chairs the CPP Certification Review Panel. He holds a BS in Accounting from St. John Fisher College in Rochester, NY.

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