

Benefits Alert 2005-7

To	All Clients & Friends of FBMC	Date	11/2/2005
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Re	Revenue Notice 2005-70		

On October 28, 2005, the IRS issued Revenue Procedure 2005-70 (<http://www.irs.gov/pub/irs-drop/rp-05-70.pdf>), which provides the 2006 cost-of-living adjustments as required under various provisions of the Internal Revenue Code.

Some areas of interest include:

Health Savings Accounts

2005	2006	Annual Contribution Levels
\$ 2,650	\$ 2,700	Individual
\$ 5,250	\$ 5,450	Family
\$ 600	\$ 700	Catch-up for age 55 and over
Max. Out-of-Pocket for HDHPs		
\$ 5,100	\$ 5,250	Individual
\$ 10,200	\$10,500	Family
Min. Deductible for HDHPs		
\$ 1,000	\$ 1,050	Individual
\$ 2,000	\$ 2,100	Family
Max. Out-of-Pocket for HDHPs		
\$ 3,500	\$ 3,650	Individual
\$ 6,450	\$ 6,650	Family

Qualified Transportation Benefits (§ 132)

2005	2006	Annual Contribution Levels
\$ 105	\$ 105	Transit & Van-pooling
\$ 200	\$ 205	Parking

Individuals

2005	2006		
\$10,000	\$10,300	Standard Deductions	
5,000	5,150		Married Filing Jointly
7,300	7,550		Married Filing Separately
5,000	5,150		Head of Household
		Unmarried Individual	
		Personal Exemption	
3,200	3,300	(Phases out based on status and AGI)	

HDHP refers to the increasingly popular high deductible health plans being adopted by employers, often times in tandem with Health Savings Accounts (HSAs) and/or Health Reimbursement Arrangements (HRAs).

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