

### Internal Revenue Code Section 125(i)(1)

Cafeteria plans.

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(i) Limitation on health flexible spending arrangements.



(1) In general. For purposes of this section, if a benefit is provided under a cafeteria plan through employer contributions to a health flexible spending arrangement, such benefit shall not be treated as a qualified benefit unless the cafeteria plan provides that an employee may not elect for any taxable year to have salary reduction contributions in excess of \$ 2,500 made to such arrangement.

(2) Adjustment for inflation. In the case of any taxable year beginning after December 31, 2013, the dollar amount in paragraph (1) shall be increased by an amount equal to—

(A) such amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins by substituting "calendar year 2012" for "calendar year 1992" in subparagraph (B) thereof.

If any increase determined under this paragraph is not a multiple of \$ 50, such increase shall be rounded to the next lowest multiple of \$50.

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