Now & Next
Benefits Alert

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2027 health and fringe benefit plans

By Mark L. Stember

The IRS announced annual inflation adjustments for almost 70 tax provisions, including benefit plan limits. Here's what employers and plan administrators need to know.

What's the impact?

- Employers and plan administrators must take note of inflation-adjusted limits for health and fringe benefit plans for 2026 and 2027.
- Employers should be strategic and consistent about communicating these changes to employees during open enrollment.

On November 5, 2026, the **Internal Revenue Service announced** the tax year 2027 annual inflation adjustments for almost 70 tax provisions, including tax rate schedules, standard deduction amounts and other tax changes. The following are inflation-adjusted limits for health and fringe benefit plans for 2026 and 2027. Some inflation-adjusted amounts were released earlier this year, while others were released this week. The 2027 contribution limits for tax-qualified retirement plans are expected to be announced soon.

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	2026	2027
Health Savings Accounts – HDHP Limits		
HDHP Minimum Annual Deductible – Self Only	$1,700	$1,750
HDHP Minimum Annual Deductible – Family	$3,400	$3,500
HDHP Out-of-Pocket Maximum – Self Only	$8,500	$8,700
HDHP Out-of-Pocket Maximum – Family	$17,000	$17,400
Health Savings Accounts – Maximum Contribution Limits		
Self Only	$4,400	$4,500
Family	$8,750	$9,000
Catch-Up Contributions (age 55 by the end of the year)	$1,000	$1,000
ACA Out-of-Pocket Maximum		
Self Only	$10,600	$12,000
Embedded Individual Max within Family Coverage	$10,600	$12,000
Family	$21,200	$24,000
Transportation Fringe Benefits – Monthly Limits		
Parking	$340	$350
Transit Passes and Vanpooling (combined)	$340	$350
Health FSA Contribution Limit	$3,400	$3,500
FSA Carryover Limit	$680	$700
Dependent Care FSA Contribution Limit * Special income tax situations may require a lower limit.	$7,500	$7,500
Employer Adoption Assistance Exclusion		
Maximum Gross Income Exclusion	$17,670	$18,250
Maximum AGI Limit (after which exclusion phases out)	$265,080	$273,680
Employer Education Assistance Annual Maximum	$5,250	$5,400
Qualified Small Employer HRA – Maximum Annual Contribution Limits		
All Coverage (other than family)	$6,450	$6,700
Family Coverage	$13,100	$13,550
Excepted Benefit HRA Maximum	$2,200	$2,250
Failure to File Correct Information Returns (§6721) – Per Return Penalty		
Failure to File	$340	$360
Corrected w/in 30 Days	$60	$70
Corrected before August 1 of Applicable Year	$130	$140
Failure to Furnish Correct Payee Statements (§6722) – Per Return Penalty		
Failure to Furnish	$340	$360
Corrected w/in 30 Days	$60	$70
Corrected before August 1 of Applicable Year	$130	$140
Trump Account Contribution Plan		
Employee & Employer Limit (combined) per Employee	$2,500	$2,500
Total Annual Limit per Child	$5,000	$5,000
Social Security Wage Base	$184,500	$192,300

Nixon Peabody's **Employee Benefits & ERISA lawyers** are well-equipped to help employers and plan administrators navigate inflation-related tax adjustments and stay compliant with evolving

employee benefits regulations. For more information on this content, please contact your Nixon Peabody attorney or the author of this alert.

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