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Benefits Alert

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2026 health and fringe benefit plan limits

By Mark L. Stember

The IRS announced annual inflation adjustments for more than 60 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 2025 and 2026.
- As open enrollment begins, employers should be strategic and consistent about communicating these changes to employees.

On October 9, 2025, the [Internal Revenue Service announced](#) the tax year 2026 annual inflation adjustments for over 60 tax provisions, including several benefit plan limits. The following are inflation-adjusted limits for health and fringe benefit plans for 2025 and 2026. Some inflation-adjusted amounts were released earlier this year, while others were released last week. The 2026 contribution limits for tax-qualified retirement plans are expected to be announced soon.

	2025	2026
Health Savings Accounts – HDHP Limits		
HDHP Minimum Annual Deductible – Self Only	\$1,650	\$1,700
HDHP Minimum Annual Deductible – Family	\$3,300	\$3,400
HDHP Out-of-Pocket Maximum – Self Only	\$8,300	\$8,500
HDHP Out-of-Pocket Maximum – Family	\$16,600	\$17,000
Health Savings Accounts – Maximum Contribution Limits		
Self Only	\$4,300	\$4,400
Family	\$8,550	\$8,750
Catch-Up Contributions (age 55 by the end of the year)	\$1,000	\$1,000
ACA Out-of-Pocket Maximum		
Self Only	\$9,200	\$10,600
Embedded Individual Max within Family Coverage	\$9,200	\$10,600
Family	\$18,400	\$21,200
Transportation Fringe Benefits – Monthly Limits		
Parking	\$325	\$340
Transit Passes and Vanpooling (combined)	\$325	\$340
FSA Limits		
Health FSA Contribution Limit	\$3,300	\$3,400
FSA Carryover Limit	\$660	\$680
Dependent Care FSA Contribution Limit		
* Special income tax situations may require a lower limit.	\$5,000	\$7,500

Employer Adoption Assistance Exclusion		
Maximum Gross Income Exclusion	\$17,280	\$17,670
Maximum AGI Limit (after which exclusion phases out)	\$259,190	\$265,080
Employer Education Assistance		
Annual Maximum	\$5,250	\$5,250
Qualified Small Employer HRA – Maximum Annual Contribution Limits		
All Coverage (other than family)	\$6,350	\$6,450
Family Coverage	\$12,800	\$13,100
Excepted Benefit HRA Maximum		
Maximum	\$2,150	\$2,200
Failure to File Correct Information Returns (§6721) – Per Return Penalty		
Failure to File	\$340	\$340
Corrected w/in 30 Days	\$60	\$60
Corrected before August 1 of Applicable Year	\$130	\$130
Failure to Furnish Correct Payee Statements (§6722) – Per Return Penalty		
Failure to Furnish	\$340	\$340
Corrected w/in 30 Days	\$60	\$60
Corrected before August 1 of Applicable Year	\$130	\$130
Social Security Wage Base		
* 2026 is estimated – not yet released	\$176,100	\$183,600*

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 the content of this alert, please contact your Nixon Peabody attorney or:

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