# IRS Releases Employee Benefit Plan Limits for 2026

Many employee benefits are subject to annual dollar limits that are updated for inflation before the beginning of each calendar year. Note that some benefit limits are not adjusted for inflation, such as the catch-up contribution limit for health savings accounts (HSAs). Although the contribution limit for dependent care flexible spending accounts (FSAs) is not indexed for inflation, the One Big Beautiful Bill Act increased the limit, effective for 2026.

Employers should confirm that payroll systems are updated for 2026 limits and that the new limits are communicated to employees. The following benefit limits apply for 2026:

**HSA Contributions**

- Single coverage: $4,400 (up $100 from 2025);
- Family coverage: $8,750 (up $200 from 2025); and
- Catch-up contributions: $1,000

**Health FSA Limits**

- Employee pre-tax contributions: $3,400 (up $100 from 2025); and
- Carryover of unused funds: $680 (up $20 from 2025)

**Dependent Care FSA Contributions**

- $7,500 or $3,750 if married and filing taxes separately (up from prior years' limit of $5,000 and $2,500, respectively)

**401(k) Contributions**

- Employee elective deferrals (pre-tax and Roth contributions): $24,500 (up $1,000 from 2025);
- Catch-up contributions: $8,000 (up $500 from 2025). A higher catch-up contribution limit ($11,250, no change from 2025) applies to participants ages 60-63; and
- FICA wage threshold for Roth catch-up contribution mandate: $150,000 (new requirement for 2026)

**Transportation Fringe Benefits**

- Monthly limits: $340 (up $15 from 2025)

# Federal Agencies Outline Options for Offering Fertility Benefits

Federal agencies have released joint guidance clarifying existing categories of excepted benefits that employers can use to offer fertility benefits. Excepted benefits are certain types of employee benefits that are not subject to HIPAA's portability rules or the ACA's market reforms.

The guidance follows Executive Order 14216, which directed the Domestic Policy Council (DPC) to submit a list of policy recommendations to protect in vitro fertilization (IVF) access and reduce out-of-pocket and health plan costs for IVF treatment. As part of those policy recommendations, the DPC recommended issuing guidance that would allow employers to expand access to coverage for fertility through the provision of an excepted benefit.

The new guidance provides that employers may offer:

- Fertility benefits as an independent, noncoordinated excepted benefit, if certain conditions are met;
- An excepted benefit health reimbursement arrangement (HRA) that covers an employee's out-of-pocket costs for fertility treatments, as long as the HRA meets applicable regulatory requirements; or
- Benefits for coaching and navigator services to help employees understand their fertility options under an employee assistance program that qualifies as a limited excepted benefit.

Federal agencies have indicated they intend to issue more guidance in the future to expand employers' options for offering fertility benefits.