

COMPLIANCE CHRONICLE

REGULATIONS | POLICIES | STANDARDS | REQUIREMENTS | LAWS

Navigating the ever-evolving landscape of compliance can be challenging and time-consuming. Warner Pacific is happy to share monthly updates to help your organization stay informed about new requirements and minimize compliance risks. Let us handle the complexities, so you can focus on what matters most – your business.

Open Enrollment: 2026 Health & Welfare Plan Limits Announced

The IRS released the **2026 health and welfare benefit plan limits**, giving you and your clients valuable information for Open Enrollment planning.

The announcement includes new limits for:

- Health Flexible Spending Account (FSA) contributions
- Health FSA carryovers
- Transportation fringe benefit plans
- Adoption assistance programs
- Qualified Small Employer Health Reimbursement Arrangements (QSEHRAs)

You'll also want to note several significant changes introduced by the One Big Beautiful Bill (OB BB), including:

- An updated Dependent Care Spending Account (DCAP) limit
- A clarification that the educational assistance program limit will remain unchanged until indexing resumes in 2027

Finally, under the **Patient Protection and Affordable Care Act (ACA)** Marketplace Integrity and Affordability Final Rule, the maximum out-of-pocket (OOP) expense limits for ACA-compliant plans have also been revised for 2026.



2026 Health and Welfare Benefit Plan Limits

Type of Plan / Limit		2026	2025	2024
HSA Contribution Limits	Self only	\$4,400	\$4,300	\$4,150
HSA Catch-Up Contribution	Age 55 or older	\$1,000	\$1,000	\$1,000
HDHP Minimum Deductibles	Self only	\$1,700	\$1,650	\$1,600
	Family	\$3,400	\$3,300	\$3,200
HDHP Maximum Out-of-Pocket Expense Limits	Self only	\$8,500	\$8,300	\$8,050
	Family	\$17,000	\$16,600	\$16,100
ACA Maximum Out-of-Pocket Expense Limits	Self only	\$10,600	\$9,200	\$9,450
	Family	\$21,200	\$18,400	\$18,900
Health FSA Employee Contribution		\$3,400	\$3,300	\$3,200
Health FSA Carryover		\$680	\$660	\$640
Dependent Care Spending Account		\$7,500	\$5,500	\$5,000
Transportation Fringe Benefits (Parking / Transit Pass)		\$340	\$325	\$315
Educational Assistance Program		\$5,250	\$5,250	\$5,250
Adoption Assistance Program		\$17,670	\$17,280	\$16,810
Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)	Self only	\$6,450	\$6,350	\$6,150
	Family	\$13,100	\$12,800	\$12,450
Excepted Benefit HRA		\$2,200	\$2,150	\$2,100

ACA § 4980H Compliance

ACA § 4980H Compliance	2026	2025	2024
ACA Affordability Percentage	9.96%	9.02%	8.39%
§ 4980H(a) Penalty	\$3,340	\$2,900	\$2,970
§ 4980(b) Penalty	\$5,010	\$4,350	\$4,460
Failure to Furnish / File Penalty - IRS	\$340	\$330	\$310
Failure to File Penalty - FTB	\$50	\$50	\$50
CA Minimum Wage*	\$16.90	\$16.50	\$16.00
Federal Poverty Level (48 states / DC)	TBD	\$15,650	\$15,060

*Minimum wage may differ for some employees (e.g., certain healthcare and fast-food workers). Some CA municipalities have a higher minimum wage, and more increases take effect 1/1/26 and 7/1/26. Federal minimum wage is \$7.25.

This is only a brief summary of certain terms of federal and state law. The summary does not constitute legal advice. Employers should consult legal counsel concerning implementation of the provisions references in this chart.

Check out all of our compliance and legislative resources at warnerpacific.com.