

COMPLIANCE OVERVIEW

Employee Benefit Plan Limits for 2026

Many employee benefits are subject to **annual dollar limits** that are adjusted for inflation by the IRS each year. The following commonly offered employee benefits are subject to these limits:

- High deductible health plans (HDHPs) and health savings accounts (HSAs);
- Health flexible spending accounts (FSAs);
- 401(k) plans; and
- Transportation fringe benefit plans.

The IRS typically announces the dollar limits that will apply for the next calendar year before the beginning of that year. This gives employers time to update their plan designs and make sure their plan administration is consistent with the new limits.

This Compliance Overview includes a chart of key employee benefits limits for 2026. It also includes the 2025 limits for comparison purposes. **Most of these limits increase for 2026.** Although the contribution limit for dependent care FSAs is not indexed for inflation, the [One Big Beautiful Bill Act](#) increased the limit, effective for 2026.

LINKS AND RESOURCES

- [IRS Revenue Procedure 2025-19](#): 2026 limits for HSAs and HDHPs
- [IRS Notice 2025-67](#): 2026 limits for retirement plans
- [IRS Revenue Procedure 2025-32](#): 2026 limits for health FSAs, adoption assistance and transportation fringe benefits

Inflation-adjusted Limits

- HSA contributions
- HDHP cost-sharing limits
- Health FSA pre-tax contributions
- Health FSA carryovers
- Monthly limits for transportation fringe benefit plans
- Employees' elective deferrals to 401(k) plans, both pre-tax and Roth
- Tax exclusion for adoption assistance benefits

Dependent Care FSA Limit

- Effective for taxable years beginning after 2025, the annual contribution limit for dependent care FSAs increases to \$7,500 (or \$3,750 for married individuals filing separate tax returns).
- This limit is not indexed for inflation so it will stay the same going forward, unless it is adjusted by future legislation.

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Limit	2025	2026	Change
HSA Contribution Limit			
Self-only	\$4,300	\$4,400	Up \$100
Family	\$8,550	\$8,750	Up \$200
Catch-up contributions*	\$1,000	\$1,000	No change
HDHP Minimum Deductible			
Self-only	\$1,650	\$1,700	Up \$50
Family	\$3,300	\$3,400	Up \$100
HDHP Out-of-Pocket Maximum			
Self-only	\$8,300	\$8,500	Up \$200
Family	\$16,600	\$17,000	Up \$400
Health FSA			
Limit on employee contributions	\$3,300	\$3,400	Up \$100
Carryover limit	\$660	\$680	Up \$20
Dependent Care FSA*			
Tax exclusion	\$5,000 (\$2,500 if married and filing taxes separately)	\$7,500 (\$3,750 if married and filing taxes separately)	Up \$2,500 (\$1,250 if married and filing taxes separately)
Transportation Fringe Benefits (Monthly Limits)			
Transit pass and vanpooling (combined)	\$325	\$340	Up \$15
Parking	\$325	\$340	Up \$15
Excepted Benefit HRA			
Limit on employer contributions	\$2,150	\$2,200	Up \$50
401(k) Contributions			
Employee elective deferrals	\$23,500	\$24,500	Up \$1,000
Catch-up contributions	\$7,500 (\$11,250 for employees ages 60-63)	\$8,000 (\$11,250 for employees ages 60-63)	Up \$500 (no change for employees ages 60-63)
Limit on total contributions	\$70,000	\$72,000	Up \$2,000
Adoption Assistance Benefits			
Tax exclusion	\$17,280	\$17,670	Up \$390

*Limits that are not adjusted for inflation