

EMPLOYEE BENEFITS ANNUAL LIMITS

IRS LIMITS ON HEALTH SAVINGS ACCOUNTS (HSAs) AND HIGH DEDUCTIBLE HEALTH PLANS (HDHPs)

| | 2026 | 2025 | 2024 |
|---|----------|----------|----------|
| HSA maximum contribution* | | | |
| Single | \$4,400 | \$4,300 | \$4,150 |
| Family | \$8,750 | \$8,550 | \$8,300 |
| HSA catch-up contribution (age 55 and older)* | \$1,000 | \$1,000 | \$1,000 |
| Minimum HDHP deductible | | | |
| Single | \$1,700 | \$1,650 | \$1,600 |
| Family** | \$3,400 | \$3,300 | \$3,200 |
| HDHP out-of-pocket (OOP) maximum | | | |
| Single | \$8,500 | \$8,300 | \$8,050 |
| Family*** | \$17,000 | \$16,600 | \$16,100 |

See www.irs.gov for more information.

*For calendar year beginning in year indicated, regardless of plan year start date.

**An embedded individual deductible can be no less than the minimum family deductible.

***Must include an embedded individual (Single) OOP maximum not greater than the non-HDHP Single OOP maximum.

IRS LIMITS ON NON-HDHP OUT-OF-POCKET (OOP) EXPENSES

| | 2026 | 2025 | 2024 |
|-----------------------|----------|----------|----------|
| Non-HDHP OOP maximum* | | | |
| Single | \$10,150 | \$9,200 | \$9,450 |
| Family** | \$20,300 | \$18,400 | \$18,900 |

*Applies exclusively to in-network covered essential health benefits. This includes participant cost-sharing for medical expenses subject to the Consolidated Appropriations Act 2021 surprise medical billing in-network cost-sharing requirements, even when such expenses are incurred out-of-network.

**Must include an embedded individual (single) OOP maximum not greater than the non-HDHP single OOP maximum.

IRS LIMITS ON HEALTH FLEXIBLE SPENDING ACCOUNTS (HEALTH FSAs)

| | 2026 | 2025 | 2024 |
|--------------------------------------|---------|---------|---------|
| Maximum health FSA salary reduction* | \$3,400 | \$3,300 | \$3,200 |
| Maximum health FSA carryover* | \$680 | \$660 | \$640 |

*For health FSA plan year beginning in year indicated. If an employee participates in multiple health FSAs (e.g., general-purpose and limited-purpose health FSAs) within the same controlled group during the same plan year, the health FSAs must be aggregated when applying the maximum salary reduction and carryover amounts.

IRS LIMITS ON HEALTH REIMBURSEMENT ARRANGEMENTS (HRAs)

| | 2026 | 2025 | 2024 |
|--|----------|----------|----------|
| Excepted Benefit HRA (EBHRA) | | | |
| Maximum annual EBHRA reimbursement* | \$2,200 | \$2,150 | \$2,100 |
| Qualified Small Employer HRA (QSEHRA) | | | |
| Maximum annual QSEHRA reimbursement** | | | |
| Single | \$6,450 | \$6,350 | \$6,150 |
| Family | \$13,100 | \$12,800 | \$12,450 |

*For EBHRA plan year beginning in year indicated.

**If a QSEHRA is offered on a non-calendar year basis, the maximum annual reimbursement is prorated based on the number of months in each portion of the two applicable calendar years. Alternatively, employers can use the maximum annual reimbursement for the calendar year in which the plan year begins for the entire plan year.

EMPLOYER MANDATE

| | 2026 | 2025 | 2024 |
|---|---------|---------|---------|
| Penalty A, annual (per full-time employee*) | \$3,340 | \$2,900 | \$2,970 |
| Penalty B, annual (per employee receiving premium tax credit) | \$5,010 | \$4,350 | \$4,460 |
| Affordability threshold | 9.96% | 9.02% | 8.39% |

*Minus the first 30 full-time employees.

IRS LIMITS ON QUALIFIED TRANSPORTATION PLAN BENEFITS

| | 2026 | 2025 | 2024 |
|--------------------------------|-------|-------|-------|
| Maximum monthly reimbursement* | | | |
| Transit and vanpooling** | \$340 | \$325 | \$315 |
| Parking** | \$340 | \$325 | \$315 |

*Employer contributions toward transportation benefits (transit and parking) are not deductible as a business expense (per 2017 tax reform).

**Limits for transit/vanpooling and parking are mutually exclusive (i.e., an employee may have both benefits up to the respective limits).

IRS LIMITS ON RETIREMENT BENEFITS AND COMPENSATION

| | 2026 | 2025 | 2024 |
|---|------|-----------|-----------|
| 401(k) and 403(b) plan elective deferrals | TBD | \$23,500 | \$23,000 |
| Catch-up contributions (age 50 and older) | TBD | \$7,500* | \$7,500 |
| Annual compensation limit | TBD | \$350,000 | \$345,000 |
| Highly compensated employee threshold** | TBD | \$160,000 | \$155,000 |
| Key employee compensation threshold** | TBD | \$230,000 | \$220,000 |
| Defined contribution plan limit under Section 415 | TBD | \$70,000 | \$69,000 |
| Defined benefit plan limit under Section 415 | TBD | \$280,000 | \$275,000 |
| SIMPLE employee contribution limit | TBD | \$16,500 | \$16,000 |

See www.irs.gov for more information.

*New effective 1/1/2025: individuals who attain age 60, 61, 62, or 63 in 2025 can make catch-up contributions up to \$11,250 in 2025.

**In general, compensation means total compensation from the employer, including bonuses or commissions as well as contributions made through a 401(k) plan (or similar retirement plan) or through a cafeteria plan or qualified transportation benefit plan.

SOCIAL SECURITY LIMITS AND MEDICARE DEDUCTIBLES

| | 2026 | 2025 | 2024 |
|--|------|-----------|-----------|
| Social Security taxable wage base | TBD | \$176,100 | \$168,600 |
| Social Security earnings limit: | | | |
| Prior to the year an individual reaches full retirement age (FRA)* | TBD | \$23,400 | \$22,320 |
| Beginning the year an individual reaches FRA | TBD | \$62,160 | \$59,520 |
| Beginning the month an individual reaches FRA | TBD | No limit | No limit |
| Medicare Part A deductible** | TBD | \$1,676 | \$1,632 |
| Medicare Part B deductible | TBD | \$257 | \$240 |

*In 1983, Congress passed a law that gradually increases the FRA from 65 by a few months for every birth year for people born in 1938 and later until it reaches a maximum of 67 for people born in 1960 and thereafter. For detailed year-by-year information about FRA for years of birth 1938 through 1960, see www.ssa.gov/benefits/retirement/planner/agereduction.html

**Deductible per benefit period for a hospital stay of one to 60 days only. See www.medicare.gov and www.ssa.gov for more information.