

The Internal Revenue Service Health and Welfare Limits for 2026

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The Internal Revenue Service recently published limits for 2026 in Revenue Procedures [2025-19](#) and [2025-32](#). Below we have outlined health and welfare limits for 2026 and the changes in those limits from 2025.

Account	2025	2026	Change from 2025 to 2026
Health Care Flexible Spending Account			
Maximum contribution amount per employee	\$3,300	\$3,400	Increase of \$100
Dependent Care Flexible Spending Account			
Maximum contribution amount per individual	\$5,000	\$7,500	Increase of \$2,500

or married couples filing jointly			
Maximum contribution amount per individual or married couple filing separately	\$2,500	\$3,750	Increase of \$1,250
Adoption Assistance			
The amount that can be excluded from an employee's gross income for the adoption of a child with special needs (the amount excludable from an employee's gross income begins to phase out for taxpayers with modified adjusted gross income in excess of \$259,190 and is completely phased out for taxpayers with modified adjusted gross income of \$299,190 or more)	\$17,280	\$17,670	Increase of \$390
Commuter Benefits			
The aggregate fringe benefit exclusion amount for transportation in a commuter highway	\$325 per month	\$340 per month	Increase of \$15 per month or \$180 per year

vehicle, transit pass, and qualified parking			
Consumer-Directed Accounts			
High-Deductible Health Plan (HDHP)			
<i>HDHP – Minimum annual deductible:</i>			
Self-only coverage	\$1,650	\$1,700	Increase of \$50
Family coverage	\$3,300	\$3,400	Increase of \$100
<i>HDHP – Maximum out-of-pocket amounts (this includes deductibles, co- payments, and co- insurance, but not premiums):</i>			
Self-only coverage	\$8,300	\$8,500	Increase of \$200
Family coverage	\$16,600	\$17,00	Increase of \$400
Health Savings Accounts (HSA)			

<i>HSA – Annual contribution limit:</i>			
Self-only coverage	\$4,300	\$4,400	Increase of \$100
Family coverage	\$8,550	\$8,750	Increase of \$200
Catch-up contributions (age 55 or older)	\$1,000	\$1,000	No change

In addition, the Centers for Medicare and Medicaid Services publishes [annual guidance](#) regarding the maximum limitation on cost-sharing, including an annual out-of-pocket maximum limit (the Affordable Care Act requires that non-grandfathered health plans comply with cost-sharing limits for essential health benefits). For 2026, the annual out-of-pocket maximum limit for non-grandfathered plans will increase approximately 10.3%, as shown in the chart below:

Maximum Out-of-Pocket Limit Under ACA	2025	2026	Change from 2025 to 2026
Self-only coverage	\$9,200	\$10,150	Increase of \$950
Family coverage	\$18,400	\$20,300	Increase of \$1,900

Winston Takeaway: Plan sponsors should ensure the increased dollar limits are appropriately reflected in their payroll and plan administration programs for 2026 and included in annual and other required communications to plan participants. Plan sponsors and health insurance issuers of non-grandfathered health plans should also review the out-of-pocket maximums when addressing their health plan designs and cost-sharing requirements for 2026.

2 Min Read

Authors

[Amy Gordon](#)

[Susan Nash](#)

[Regan S. Rusher](#)

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Susan Nash



Regan S. Rusher

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