



# The One Big Beautiful Bill Act and Employee Benefits Changes

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President Donald Trump recently signed a major tax and spending bill, commonly referred to as the “One Big Beautiful Bill Act” (OBBA Act), into law. The OBBA Act includes several changes for employee benefit plans, which are summarized on the next page.

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## Health Savings Accounts (HSA) Expansion

Effective January 1, 2026, HSA eligibility will allow individuals with direct primary care (DPC) arrangements to make HSA contributions if their monthly fees are \$150 or less (\$300 or less for family coverage). Also, DPC fees will be treated as medical care expenses that can be paid using HSA funds.

## High-deductible Health Plan (HDHP) Telehealth Exceptions

A pandemic-related relief measure temporarily allowed HDHPs to waive the deductible for telehealth services without impacting HSA eligibility. This relief expired at the end of the 2024 plan year. However, the OBBB Act permanently extends the ability of HDHPs to provide benefits for telehealth and other remote care services before plan deductibles have been met without jeopardizing HSA eligibility. This extension applies to plan years beginning after December 31, 2024.

## Dependent Care Flexible Spending Accounts (FSAs)

Effective January 1, 2026, the maximum annual limit for dependent care FSAs increases to \$7,500 for single individuals and married couples filing jointly and \$3,750 for married individuals filing separately (up from \$5,000 and \$2,500, respectively).

## Educational Assistance Programs

The option to use educational assistance programs for student loans was set to expire on December 31, 2025. The OBBB Act permanently extends this option.

## Trump Accounts

Effective in 2026, "Trump Accounts" are a tax-advantaged savings account for children under age 18. Annual contributions are limited to \$5,000 per child, and employers may contribute up to \$2,500 per year to the account of an employee or an employee's dependent. These programs will require a written plan document and will be subject to some of the same tax rules that apply to dependent care FSAs, such as annual nondiscrimination testing and employee notifications.







## Contact Us With Questions We Are Here To Help.

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