



SABC FLEXNews

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SOUTHERN ADMINISTRATORS AND BENEFIT CONSULTANTS, INC
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Upcoming Changes for 2026 from the One Big Beautiful Bill

Dependent Care FSA Limit Increase

- **Effective January 1, 2026**, the annual cap for Dependent Care FSA increases from \$5,000 to \$7,500 (from \$2,500 to \$3,750 for married filing separately). SABC will automatically update your documents. If you do not wish for your Plan to be amended for the increase, please contact your SABC representative.
- Plans that begin prior to January 1, 2026, are not allowed a dependent care status change after January 1, 2026, to increase to the new limits.

HSA Eligibility Expanded

- **Bronze & Catastrophic ACA Exchange Plans:**
 - Starting January 1, 2026, these plans are now HSA-eligible—even if they offer some first-dollar benefits.
- **Telehealth Safe Harbor:**
 - Retroactive to January 1, 2025, HDHP's can now offer pre-deductible telehealth coverage without disqualifying HSA eligibility.
- **Direct Primary Care (DPC) Arrangements:**
 - From January 1, 2026, DPC fees up to \$150/month for individual or \$300/month for family are HSA-eligible and no longer considered disqualifying coverage

OPEN ENROLLMENT

As you are aware, open enrollment season is right around the corner. Your SABC representative will be contacting you shortly to schedule your open enrollment. If you have your enrollment dates already in mind, please contact SABC to get the date on the calendar as they are filling up quickly. Please remember if you have any plan changes, contact your SABC rep. so they can update your documents.

Please contact us at 601-856-9933, should you have any questions.