



September 2025

## Dependent Care FSA Limit Increasing in 2026

Effective for taxable years beginning after 2025, the One Big Beautiful Bill Act (OBBA Act) is set to increase the maximum annual contribution limit for dependent care flexible spending accounts (FSAs).

Currently, the annual contribution limit for dependent care FSAs is \$5,000 for single individuals and married couples filing jointly and \$2,500 for married individuals filing separately. This limit, which is not indexed for inflation, has been in place since 1986 (except for a temporary increase during the COVID-19 pandemic). Effective Jan. 1, 2026, the OBBA Act increases this limit to \$7,500 (or \$3,750 for married individuals filing separately).

Check with your employer to learn more about your FSA.

## Report Shows ACA Marketplace Premiums Could Increase by 15% in 2026

Preliminary rate filings from over 300 Affordable Care Act (ACA) Marketplaces show that insurers are proposing that premiums for 2026 are expected to rise by 15% to 18%, marking the most significant increase since 2018. A major driver of the anticipated premium hikes is the scheduled expiration of enhanced premium tax credits at the end of 2025. Depending on the plan they select, many plan participants who receive a subsidy may not see these premium increases. Final 2026 rate changes are expected to be published in late summer.

It's important to note that these projected increases apply specifically to ACA Marketplace plans, not employer-sponsored coverage. However, employer-sponsored plans are also expected to see premium increases, driven by rising health care costs and medical inflation.

## What Is Open Enrollment?

Open enrollment is the period when individuals can enroll, renew, adjust or cancel their health insurance. Most types of health insurance, such as employer-sponsored, Medicare and marketplace health insurance, have open enrollment periods. Open enrollment occurs once a year, usually in the fall, for coverage starting Jan. 1 of the following year. However, the exact open enrollment window depends on the insurance provider. For employer-sponsored health insurance, open enrollment usually lasts for two to four weeks.

Open enrollment allows individuals to select the health insurance coverage that best fits their needs. Some health care plans may also allow individuals to enroll in vision, dental, life and disability insurance.

It's important that individuals understand the details of open enrollment, such as how long open enrollment will last, when it ends and any significant benefits changes for the coming year, to make informed health coverage choices for themselves and their families.

Ask your employer to learn about this year's open enrollment.