

HR BRIEF

August 2025

The One Big Beautiful Bill Act and Employee Benefits Changes



President Donald Trump recently signed a major tax and spending bill, commonly referred to as the "[One Big Beautiful Bill Act](#)" ([OBBB Act](#)), into law. The OBBB Act includes changes for employee benefit plans, including the following:

- **Health savings accounts (HSA) expansion**—Effective Jan. 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 Dec. 31, 2024.
- **Dependent care flexible spending accounts (FSAs)**—Effective Jan. 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 Dec. 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.

Summer Attraction and Retention Tips

With seasonal employment, internships and graduations, summer presents a strategic recruitment opportunity for employers. What's more, summer is the peak season for many businesses, potentially driving them to hire more workers to keep up with increased demand.

Summer is an ideal time for employers to review their efforts to attract and retain quality talent for seasonal or long-term employment.

Consider these attraction and retention tips:

- **Focus on Generation Z (Gen Z).** Gen Z can offer new talent, in-demand skills and creativity, driving innovation and efficiency. Additionally, many Gen Zers, born between 1997 and 2012, are high school or college students who may be looking for summer work.
- **Recruit graduates.** College and university graduates can introduce new perspectives and skills into a business, making them valuable employees. To appeal to graduates and soon-to-be graduates, employers should establish a presence on campuses to strengthen the business's brand. This visibility can generate interest in an organization and lead to employment opportunities in the summer or for the long term.

- **Consider an internship program.** Internships can help meet immediate staffing needs and build a talent pipeline. With internships, employers can attract, screen and test potential full-time employees while interns receive valuable experience and decide whether the organization is a good fit.

Whether looking for seasonal workers or full-time employees, attracting and retaining employees in the summer requires a strategic approach. Every workplace may vary in terms of which efforts will work for them. Still, the right strategies may enable organizations to meet their immediate staffing needs and build a strong foundation for their future workforce.

Contact us today for more resources.

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