BENEFITS BUZZ

IRS Announces HSA/HDHP Limits for 2027

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July 2026

On May 29, 2026, the IRS released the inflation-adjusted limits for health savings accounts (HSAs) and high deductible health plans (HDHPs) for 2027. The IRS is required to publish these limits by June 1 of each year. These limits include the following:

- The maximum HSA contribution limit
- The minimum deductible amount for HDHPs
- The maximum out-of-pocket expense limit for HDHPs

These limits vary based on whether an individual has self-only or family coverage under an HDHP. Eligible individuals with self-only HDHP coverage will be able to contribute $4,500 to their HSAs in 2027, up from $4,400 in 2026. Eligible individuals with family HDHP coverage will be able to contribute $9,000 to their HSAs in 2027, up from $8,750 in 2026. Individuals aged 55 or older may make an additional $1,000 “catch-up” contribution to their HSAs.

The minimum deductible amount for HDHPs increases to $1,750 for self-only coverage and $3,500 for family coverage for 2027 (up from $1,700 for self-only coverage and $3,400 for family coverage for 2026). The HDHP maximum out-of-pocket expense limit increases to $8,700 for self-only coverage and $17,400 for family coverage for 2027 (up from $8,500 for self-only coverage and $17,000 for family coverage for 2026).

Employers sponsoring HDHPs should review their plans’ cost-sharing limits (i.e., the minimum deductible amount and maximum out-of-pocket expense limit) when preparing for the plan year beginning in 2027. Also, employers that allow employees to make pre-tax HSA contributions should update their plan communications with the increased contribution limits.

DOL Civil Penalty Amounts Unchanged for 2026

The U.S. Department of Labor (DOL) has confirmed that it will make no adjustments to civil monetary penalties for 2026 and will continue to use the 2025 penalties as applicable. This applies to penalties that may be assessed on employers for violations of a wide range of federal laws, including the Employee Retirement Income Security Act (ERISA) and the Family and Medical Leave Act (FMLA).

Federal law requires agencies to adjust their civil money penalties for inflation no later than Jan. 15 each year to maintain their effectiveness and deterrent effect. Last year, the DOL’s final rule on 2025 inflation-adjusted amounts was published on Jan. 10, 2025.

The annual adjustment is based on Bureau of Labor Statistics (BLS) data from October of the prior year. However, due to the government shutdown, the BLS was unable to produce October 2025 data. As a result of this lack of data, and because the law does not provide an alternate method for calculating the adjustments, the 2026 adjustment is canceled entirely.

Employers should continue to prioritize compliance with all applicable federal requirements, as the 2025 penalty amounts remain fully in effect for 2026. For example, the following key penalty amounts remain in effect:

- Failure to provide a summary of benefits and coverage (SBC) for a health plan may result in a penalty of up to $1,443 per participant or beneficiary.
- Failure to file an annual Form 5500 with the DOL can result in a penalty of up to $2,739 per day.
- Employers that willfully violate the FMLA posting requirement may face a penalty of up to $216 for each separate offense.
- Failure to provide the annual notice regarding Children's Health Insurance Program (CHIP) coverage opportunities may result in a penalty of up to $145 per day (each employee is a separate violation).