



IRS Announces 2026 Increases to Flex Benefit Contribution Limits

The IRS has announced the 2025 contribution maximums for Flexible Spending Account (FSA) plans in the newly released [Revenue Procedure 2025-32](#). Contribution limits will all increase in 2026.

Health Flexible Spending Account

The Health FSA, which provides employees the ability to set aside money on a pre-tax basis to pay for eligible medical, dental, and vision expenses will have an increase to its contribution maximum from \$3,300 to \$3,400 for 2026. The new contribution limit will also apply to the Limited Purpose FSA which reimburses eligible dental and vision expenses. Limited Purpose FSA limits will also increase from \$3,300 to \$3,400 for 2026.

Carryover Limit

The FSA Carryover limit provides employers the option to transfer a maximum amount of remaining FSA balances at a plan year's end to carryover for use during the next plan year. This is available with Healthcare and Limited Purpose FSAs only. The carryover limits for this account will increase from \$660 to \$680 for 2026.

Dependent Care Flexible Spending Account

The Dependent Care FSA allows employees to set aside pre-tax dollars to pay for eligible dependent care expenses, such as daycare, preschool, and before- or after-school programs. For 2026, the contribution limit will increase from \$5,000 to \$7,500 for single taxpayers or married couples filing jointly. For married individuals filing separately, the limit will increase from \$2,500 to \$3,750. This change was enacted through legislation passed in July 2025 and is not subject to annual inflation adjustments.

Commuter Benefits

Commuter Benefits help employees pay for certain parking, mass transit, and/or vanpooling expenses with pre-tax dollars. The contribution limits for this account will increase from \$325 to \$340 for 2026.

Adoption Assistance

The Adoption Assistance FSA helps employees pay eligible adoption expenses such as agency fees and court costs by contributing to the account with pre-tax money from their paycheck. The contribution limits for this account will increase from \$17,280 to \$17,670 for 2026.

| 2025 and 2026 Contribution Amounts | | |
|------------------------------------|---------------|---------------|
| Benefit | 2025 | 2026 |
| Health FSA | \$3,300/year | \$3,400/year |
| FSA Carryover Limit | \$660/year | \$680/year |
| Limited Purpose FSA | \$3,300/year | \$3,400/year |
| Dependent Care FSA | \$5,000/year | \$7,500/year |
| Parking/Transportation | \$325/month | \$340/month |
| Adoption Assistance | \$17,280/year | \$17,670/year |